**Wage Chisellers Exploit Relief** (Page 16)

# THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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## The Nation's Business

New Houses and New Jobs

Re-Housing for a Nation

Ford Executive Challenges Industrialists

Minimum Price For Farmer's Wheat

### Housing and Employment

TO PUT every Canadian family in a modern home would create enough employment to take all able-bodied persons off the relief rolls and keep them busy for many years. No one expects that the building of new homes and the modernization of old ones can be stimulated to such limits. There are many obstacles in the way.

One obstacle is high taxation. With municipal taxes representing from 3 to 10% per annum of the sale value of a large percentage of the homes in Canada, housing is unattractive as an investment and expensive as a social effort.

* * *

ANOTHER obstacle is high cost. Wage scales are high in the building trades although the annual earnings of workers in the field are not great. But wages are very high in proportion to the values created. This is only partially the result of large scale unionization and wage monopoly. It follows also from the failure to apply modern industrial techniques in construction. While the cost of building automobiles, electric refrigerators, furniture, household appliances and such modern conveniences has been coming down, the cost of constructing homes has gone up. The wage scale paid in building construction would be no more burdensome than the equally high wages paid in some other highly skilled trades if each hour's work created the same social and economic values as in the industries utilizing more advanced techniques.

A third obstacle is the high rate of interest on mortgage money, necessitated to provide insurance against losses. Rates are coming down and very cheap money is being made available by governments. It is a curious turn of affairs that governments, having driven private investors largely out of the mortgage field by injurious interference with mortgage contracts, are now forced to loan money themselves at rates which private investors would always be glad to accept for safe mortgage loans.

* * *

BUT even these obstacles cannot stay, although they may slow down, the movement toward modernized homes. It is natural then that the National Employment Commission, as is unofficially reported, should devote so much study to house-building as a possible weapon in its attack upon unemployment.

It is to be hoped that a major portion of its studies will be directed to discovering and seeking to clear away the obstacles to home-building and re-housing under private initiative and with private capital.

However, the Commission will probably decide that governments must provide positive stimulus. Ottawa's first effort in that respect was the passage of the Dominion Housing Act. Instead of turning back Ottawa is likely to go further in governmental support for housing.

* * *

HOUSING divides itself into several major categories. There is home-building by people of means, quite capable of determining and financing their own needs. With such people, the important considerations are costs and taxes; government financial aid is not a factor.

Then there is the field of "middle class" housing. Here the Dominion Housing Act, providing for mixed government-private loans at reasonable interest rates, has been adopted in an effort to speed new construction. The Act has been slow to catch on which would seem to present evidence that it requires some modification in the light of the first few months of experience with it.

There is also the quite distinct problem of providing low-cost housing for workingmen, a problem not unassociated with that of slum clearance. It is already evident that the Dominion Housing Act has little to contribute in the field. Practically every nation in the world experimented in low-cost housing and there is a wealth of experience for Canada to draw upon. Some successful schemes are on record wherein government has made available low-cost funds while private capital and private direction—impelled as much by community spirit and social motives as by a proper desire for gain—have been enlisted to provide the necessary leaven of sound judgment and competent administration. Low-cost housing is not strictly an investment proposition. It is a social effort primarily; capital and management venturing into the field must so view it.

A fourth phase of housing is that of modernization of existing homes. Here the opportunity is presented for organizing, under governmental initiative, a large-scale co-operative effort among all those who have goods or services to sell—a campaign that might conceivably lead to the

(Continued on page 2, col. 4)

## Paper Racing Into Shortage —Rothermere

### British Publisher Repeats Warning on Newsprint

### FAVORS SECURITIES

Lord Rothermere, one of the leading British newspaper publishers, again stresses his confidence that sharp recovery is coming in the Canadian newsprint industry in a special cable from London to leaders in the industry this week.

Citing favorable opinions on securities of Price Bros., Abitibi and Consolidated Paper, Lord Rothermere's cable reads:

"Newsprint is racing toward a shortage. In a few months no immediate or remote developments will be able to cope with the incessantly increasing demand.

"In cities like Cairo, Bombay, Shanghai and Tokio newsprint demand has doubled in the last 5 years. Except for Canada other sources of supply are very limited. There will be a spot market next year.

"My friends say that in view of the outlook Price Brothers is undercapitalized and that Consolidated Paper and Abitibi are moderately capitalized. They believe increasing prices for newsprint will, in the next 3 years, enable these companies to pay off creditors, overtake outstanding bond interest and show a handsome profit for preferred and common shareholders.

"Except long term contracts, no orders for more than 6 months should be taken."

**Large Investor**

In addition to being chief proprietor of the London Daily Mail, Daily Mirror and Evening News, Lord Rothermere is president of Anglo-Canadian Pulp & Paper Mills in Quebec. He and his associates are large investors in securities of Abitibi Power & Paper Co., and of Consolidated Paper Corp.

Readers will recall that Lord Rothermere recently expressed the view that a price of $50 a ton net at the mill was warranted for newsprint. This compares with the new 1937 price of $42.50 gross, or about $36 net.

## Alberta Bond Outlook Dark

### Cockroft and Chant Visit Ontario, But Hopes Are Low

Hon. Charles Cockroft, Alberta provincial treasurer, and Hon. W. N. Chant, Minister of Agriculture, visited Ottawa and Toronto in the past 10 days, while the special session of the provincial legislature was proceeding at Edmonton.

The visit to Ottawa was concerned with administration of relief in western drought areas. At Toronto, the ministers met individual members of the Alberta bondholders' committee but did not conduct negotiations regarding the provincial reduction of bond interest it is understood.

The relative unimportance of the visit as far as the Alberta bond interest reduction is concerned was demonstrated by the fact that the legislature passed a statute authorizing recent interest cuts while the ministers were visiting Ontario. The new statute provides that from June 1, 1936, rates of interest on Alberta bonds are to be changed as follows:

**Alberta Bond Interest Rates**

| Coupon rate | New rate | Coupon rate | New rate |
|---|---|---|---|
| 6½% | 3¼% | 5% | 2½% |
| 6% | 3% | 4½% | 2¼% |
| 5½% | 2¾% | 4, 3½, 3% | 2% |

While the Alberta bondholders' committee has been considering the extensive material specially prepared from a study of the province's economic and financial affairs, publication of the extensive report and negotiations with regard to the interest reductions apparently have not been decided upon.

Individual investors and investment firms take a pessimistic view of the possibility of getting an improved settlement for Alberta bonds.

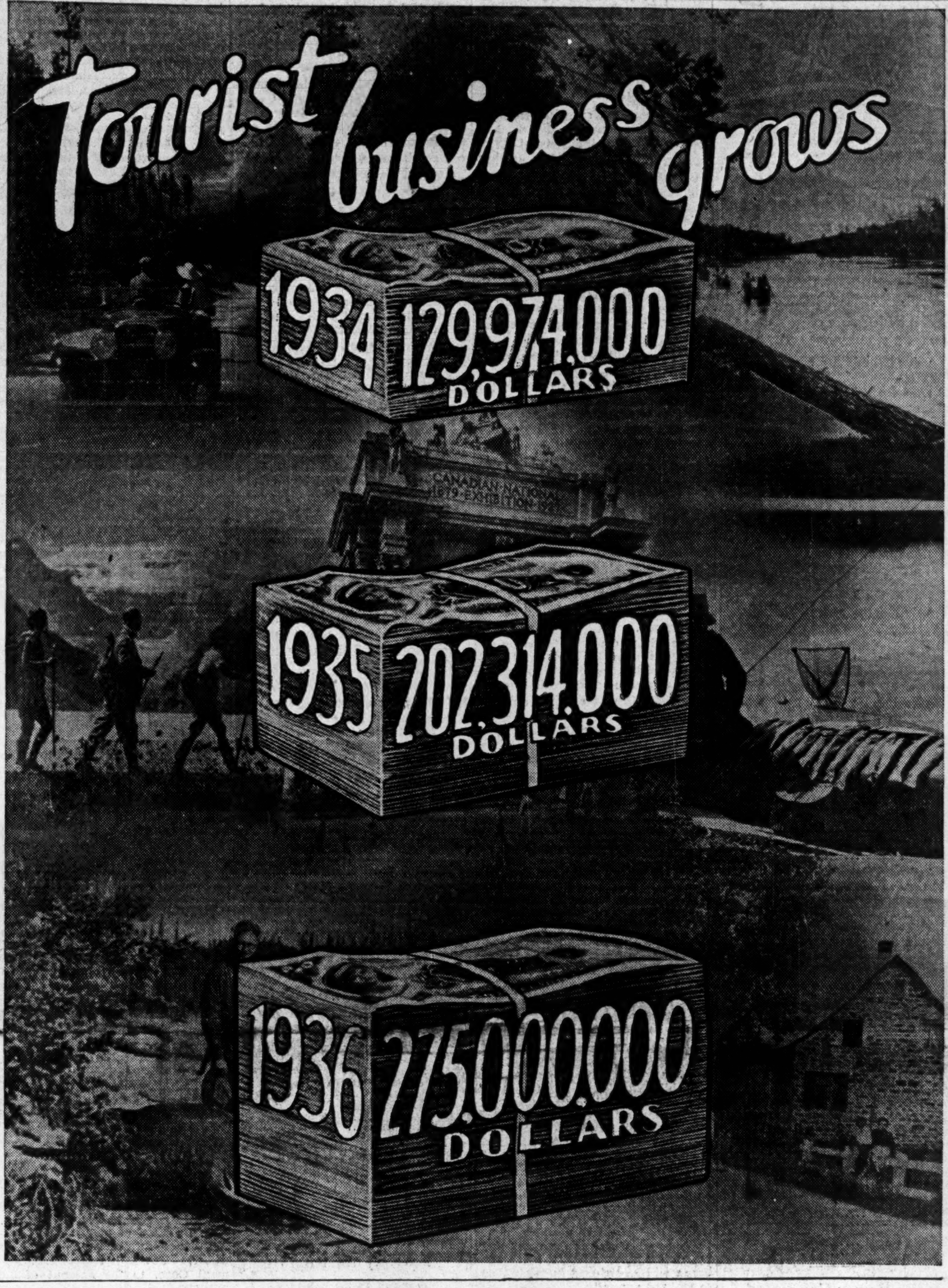
## Packers' Enquiry Comes in October

From Our Own Correspondent

OTTAWA.—The first public hearing of the Dominion Trade and Industry Commission will take place some time in October. It will deal with the complaint of Western Packers of Winnipeg that competitors were using unfair methods against them in violation of Section 498a of the Criminal Code. All interested parties will be permitted to appear before the Commission.

The Commission, which is identical in personnel with the Canadian Tariff Board, has had auditors working 2 months on the case. The enquiry is being conducted under Section 20 of the Trade and Industry Commission Act.

Aside from some prosecutions in connection with Weights and Measures the Winnipeg enquiry constitutes the first direct action of the Federal Government arising out of the abuses disclosed in the Price Spreads hearings of 1935.




# Another Gold Mine

## Export of Canadian Attractions Equals Gold and Newsprint Combined—Gross Revenue This Year Is Estimated at $275 Millions

By JOHN LINCOLN

Though trade figures seldom mention it, and it can hardly be classed as an industry, Canada has developed a source of gross revenue which this year will exceed in value the entire wheat crop, or the exports of gold and newsprint combined.

It is the tourist trade.

Based on the first 7 months, it will amount to somewhere between $250 and $300 millions for 1936 or close to the banner 1929 peak when its value was estimated at just over the $300 millions mark. Some 17 million visitors are expected before the end of the year.

**Invisible Exports**

It is the tourist trade which primarily makes up those "invisible" exports upon which older European countries rely to offset unfavorable balances of trade. Foreign money pours in payment for the privilege of visiting countries rich in history.

Now Canada is not alarmed by an unfavorable balance of trade. Nor are we relatively rich in historical background. Here there is something else to trade for foreign gold—a change, scenery, game and since 1934, the Dionnes.

These are the lures of the tourist trade, the profits coming chiefly from the temporary transfer of the visitor's spending power to Canada.

Like everything else, the worldwide depression exercised a depressing influence here. But it does not appear to have lasted long and recovery has been swift. Here are the gross figures:

**Canada's Tourist Trade**

| Year | Gross revenue |
|---|---|
| 1936 | $201,167,000 |
| 1927 | 238,477,000 |
| 1928 | 275,230,000 |
| 1929 | 309,379,000 |
| 1930 | 279,238,000 |
| 1931 | 250,776,000 |
| 1932 | 212,448,000 |
| 1933 | 117,124,000 |
| 1934 | 129,974,000 |
| 1935 | 202,314,000 |
| 1936 | *275,000,000 |

*Estimated.

**Some Outgo Too**

But this tourist business from a national standpoint is not all velvet. While Americans, Britishers and others are enjoying Canadian scenery, travel and fishing to the tune of probably $5 per head per day, a large number of Canadians are doing the same thing in the neighboring republic or abroad.

This visiting is not a one-way traffic and Canadians spend a good deal of time and money at southern U. S. winter resorts, along the Atlantic and Pacific seaboards in the spring and across the Atlantic in the summer.

In 1935, it is estimated by the Dominion Bureau of Statistics that such people left almost $80 millions in other countries. Of this nearly $65 millions was spent in the States. But the balance in spite of this spending remained well in Canada's favor as is indicated by the following table:

**Net Revenue Tourist Trade**
(000's omitted)
**Expenditures By**

| Year | Tourists to Canada $ | Tourists from Canada $ | Net Revenue $ |
|---|---|---|---|
| 1936* | 275,000 | 125,000 | 150,000 |
| 1935 | 202,314 | 79,399 | 122,915 |
| 1934 | 129,974 | 53,658 | 76,316 |
| 1933 | 117,124 | 50,860 | 66,264 |
| 1932 | 212,448 | 57,403 | 155,045 |

*Estimated.

**Much Interest**

D. Leo Dolan, director of Canadian Travel Bureau, is the man with his hand on the pulse of this great inflow of new wealth. His estimate mentioned above is based partly on the number of enquiries received by his office, partly on the figures for the first 7 months of 1936 supplied by the department of immigration, partly on other data.

In the whole of 1935 the Canadian Travel Bureau received 26,000 enquiries and requests from persons and families planning a tour in Canada.

Up to August 15 (7½ months) the number of enquiries was approximately 50,000.

The Travel Bureau estimates the number of tourists entering Canada in the first 8 months of 1936 at 8,450,000.

**Going Farther North**

Now in some of the more southerly Ontario and much older resorts this increase will be disputed. There service station attendants, hotelkeepers and other classes which benefit directly from the great influx of summer visitors will tell you that there has been no increase this year Some state the opposite de-

(Continued on page 3)

## Niagara Wire Calls in Stock

### Holders of Preferred Have Right to Convert Before Redemption

From Our Own Correspondent

MONTREAL. — Niagara Wire Weaving Co. has called for redemption on October 1 all of its outstanding preferred stock at $60 a share, plus accrued dividends of 75 cents.

The company also announces declaration of a dividend of 40 cents a share on the outstanding common shares, payable October 1 to shareholders of record at the close of business September 21.

This is the first dividend on the new common stock following a 2-for-1 split on July 20 last.

## *Zinovieff and Roosevelt Once in Same "Mark" Deal*

Gregory Zinovieff, Soviet leader who was shot by a firing squad in Russia several days ago, came to the offices of the MacLean Publishing Co. 14 years ago in an effort to enlist the support of The Financial Post for United European Investors, Ltd., a Canadian company with head offices in New York City. The president was Franklin D. Roosevelt, then vice-president Fidelity & Deposit Co. of Maryland. Franklin D. Roosevelt is president of a much bigger concern now. At that time there was nothing to suggest that he might later be the president of the United States.

On his visit to MacLean Publishing Co. Mr. Zinovieff was accompanied by Martin Nordegg and the late Senator Andrew Haydon, Ottawa barrister, and at that time chief organizer for the Liberal party.

The plan of United European Investors was to sell in the United States and Canada 60,000 8% preferred cumulative shares of $1 par value and 60,000 common shares with a par value of 10,000 marks. The preferred shares were to be sold for United States and Canadian dollars and the common stock was to be exchanged for whatever they could get of the billions of German marks held in the United States and Canada. The marks received by the company were to be taken to Germany and invested in real estate, common stock equities and in any value which would persist whether or not money was inflated to the bursting point.

It was represented in the prospectus that "there is a great stringency of money and credit in

(Continued on page 2 col. 5)

## Charles Gurd Betters Status

### President Tells Shareholders Returns to Date Ahead of 1935

MONTREAL. — Operating results of Charles Gurd and Co. for the year to date are better than experienced a year ago and prospects of higher earnings appear good, according to a statement sent out to the shareholders by Alex. McA. Murphy, president.

The financial position of the company is sound. "It has no bank loans," he says, "no arrears of taxes or trade obligations.

Last year Charles Gurd reported earnings on the preferred stock of $11.26 a share, as against $6.95 in 1934. Earnings on the common totalled 18 cents a share in 1935—the first since 1932.

## *Offer Brokers 3.5% Call Money*

From Our Own Correspondent

MONTREAL.—One of the larger of the Montreal trust companies is offering call money to brokers at 3½%. This money, it is understood, is that of clients and not that of the company.

This is the lowest rate on brokers' call loans for several years and compares with the current bank rate of 5%. So far only one trust company has placed money at the new rate. There is no indication it will be general. However, much will depend upon the amount of money offered.

## Pitfield Firm Ends Backing

### Decision Based on Disappointing Development at Gold Lake Mines

Disappointing results of exploration and development at the Rice Lake property of Gold Lake Mines Ltd., 4 miles south of San Antonio, are cited as the reason why financing of the project by W. C. Pitfield & Co. Ltd. and Anglo-Huronian Ltd. has been discontinued.

The decision does not preclude further development of the property, but according to information supplied by W. C. Pitfield & Co. to The Financial Post, the Pitfield company will not be associated with any further expenditure on development. The decision is based on reports of Anglo-Huronian's engineers.

Widespread criticism over closing of property is reflected in dispatches from The Financial Post's Winnipeg correspondent and agitation for an investigation into the situation is reported among western Canadian shareholders of Gold Lake.

W. C. Pitfield & Co. has exercised options on Gold Lake stock up to January 10, 1937, and has taken up and paid for 300,000 shares. In a letter dated August 27, the company notified T. C. Anderson, president of Gold Lake, of its decision to discontinue expenditures.

## Highlights


***Whither Hydro?***

Repudiation of Quebec power contracts shows Ontario's electric utility in favorable light at the moment but what will happen if power shortage develops? Page 9

***Relief Vultures***

Unscrupulous employers prey on misfortunes of wage-earners to pay less-than-relief wage scales. Page 16

***Wheat***

Withdrawal of Dominion Government from grain market is foreshadowed. Page 13

***Gold Rush***

Spirit Lake, Ont., attracts heavy influx of gold-seekers. Page 15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## Maple Leaf Enjoys Gain In Earnings

### Steamship Benmaple Fully Covered by Insurance

### COVERS INTEREST

Maple Leaf Milling Co. will report considerable improvement in earnings for the year ended July 31, 1936, The Financial Post is informed.

It is understood earnings were sufficient to cover interest charges but not including usual depreciation allowance of some $165,000.

The annual report is expected to appear this month.

The improved state of affairs is reflected in the rise of the company's bonds from the early 50's to about 65. Only half the 5½% interest rate is being paid in cash, the other half being settled under the 1934 reorganization scheme by issue of class A preferred shares.

**Vessel Insured**

This week the company lost its freight steamship Benmaple, which was sunk in the St. Lawrence River by collision with the French liner Lafayette. The Benmaple carried a full cargo of flour, but both vessel and cargo were fully insured. The ship was the only one owned by the company, which held it through a subsidiary, Port Colborne & St. Lawrence Navigation Co.

Under present low shipping rates the loss of the Benmaple, which was built in 1914, is not considered serious to the company's finances. Any insurance collected would strengthen the working capital position which has showed a deficiency of current assets since 1930.

**Results Last Year**

Last year the company reported net earnings of $193,886. Cash bond interest took $134,372 and a charge of $218,986 was also made for bond and bank interest settled in class A preferred shares in lieu of cash. This left a deficit for the year before charging depreciation of $165,846.

The company also wrote off $50,000 leases and contracts and charged $13,000 dividends on Eastern Bakeries preferred against income. The resulting deficit totalled $388,318.

It is understood the Eastern Bakeries preferred dividend is still being paid by Maple Leaf Milling Co. under arrangement with the shareholders. This is expected to appear again as a charge against earnings.

Surplus which stood at $298,952 will be reduced this year by the depreciation charge.

**Bond Arrangement**

The 5½% bond issue of $4,620,500 is paying 2¾% cash interest each December 1 up to 1938 inclusive. The interest payment due each June 1 is being settled by issue of 2 class A preferred shares per $1,000 of bonds. The A preferred shares are selling at $4 each. Dividends of 70 cents a share become cumulative only after Dec. 1, 1938. No payments have been made on the shares and none is in early prospect, since there are no earnings available.

On a $1,000 bond, the present return is $27.50 cash and $8 market price in A stock annually, giving a yield, at 65, of nearly 5.5%. The return on a purely cash basis is approximately 4.2%, giving the holder a gamble in the class A shares as to future value and income.

## C. P. R. Denies Building New Diesel Engines

MONTREAL. — Report that the Montreal Locomotive Works is building a Diesel engine for the Canadian Pacific Railway, is officially denied. Mechanical engineers of the company have investigated the Diesel engine for railway work on several occasions, but no official action has been taken toward utilizing this type of equipment.

## Outremont School Board Bonds Sell at Premium

MONTREAL. — Banque Canadienne Nationale and Ernest Savard Ltée. have jointly purchased a $115,000 4% bond issue of the Catholic School Commission of the city of Outremont. The price was 101.15.

Proceeds of the bond issue will go largely toward the erection cost of a new school now in process of completion.

## *Poor Showing In Construction*

Seasonal falling off in motor car production and a more than usual slump in construction during August featured the week's business figures.

The weekly wholesale index of commodity prices dropped to 75.6 for the week ended Aug. 28 against 76.1 for the week of Aug. 21.

| Monthly. | July | —Change— From prev. period % | From prev. year % |
|---|---|---|---|
| Bank debits | *$2,893,658 | —7 | +13 |
| Net railway earn.: | | | |
| C.N.R. | 87,203 | +823 | —92 |
| Auto. production: | | | |
| Passenger | 8,192 | —37 | —13 |
| Trucks & buses | 2,233 | —30 | —36 |
| Coal imports, short tons | 1,416,455 | —15 | —0.9 |
| Sugar:† | | | |
| Melting & sales | 96,510,220 | —2 | —3 |
| Manufactured.. | 93,841,054 | —0.9 | —1 |
| Cons. contracts | ‡15,536,100 | —15 | —36 |
| Weekly: | | | |
| Car loadings, No. | 52,488 | +4 | +19 |
| Cattle sales, No. | 15,109 | +7 | —28 |
| Hog sales, No. | 16,849 | +4 | +48 |

‡August.
*000's omitted.
†Four weeks to Aug. 8.

MEN'S SHOP

AS BRITISH AS THE GUARDS

BURBERRYS "WEATHERALLS"

For years topcoats styled by Burberry of London, England have set a standard of distinctive styling . . . quality materials . . . and fine workmanship. Among the Men's Shop's new arrivals for fall wear, is featured a full selection of the new Burberry topcoats for autumn 1936. Shown here is the "Weatherall," in a shower-resistant, all wool fabric (price $45.00). Other topcoats by Burberry, at $45.00, $50.00 and $55.00. Sizes 35 to 46.

These coats may be purchased on Eaton's Budget Plan if desired.

MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

# Company Reports

## City Gas & Electric

City Gas & Electric Corp. gross profits from operations at Amos, Yamaska, Huntingdon and Ste. Therese, Que., totalled $24,770 during 1935. Further the company had an operating loss of nearly $90,000 on the Three Rivers Division. These figures are before provision for depreciation. Comparative returns are not available, as the previous report was for the 19 months ended March 31, 1935.

In last week's issue of The Financial Post the returns for 1936 were compared with those for the "12 months ended March 31, 1935," when it should have been for the 19 months ended with the same date.

**Profit and Loss Statement**

| | 12 mos. ended Mar. 31 1935 | 19 mos. ended Mar. 31 1935 |
|---|---|---|
| | $ | $ |
| Gross revenue | 24,770 | 33,681 |
| Less: Executive exps. | 6,000 | 8,268 |
| Interest charges | 8,510 | 10,604 |
| Directors' fees | .... | 210 |
| Replacement exp. | 2,164 | ...... |
| Net profit | 8,096 | 14,598 |
| Loss at Three Rivers | 22,420 | ...... |
| Cost of financing, etc. | 21,052 | ...... |
| Interest on bonds | 22,463 | ...... |
| Salaries, etc. | 29,698 | ...... |
| Less: Propor. chgd. subs. | 6,000 | ...... |
| Chgd. to develop. | 67,225 | ...... |
| Net loss for year | 14,312 | *144,598 |

*Profit.

## Brewing Corp. of Canada

Brewing Corp. of Canada earnings in the quarter ended July 31 were a trifle higher than for the same period a year earlier. Cold weather in the late spring retarded the early sale of beer and ale but for the 12 months there is nevertheless an improvement of about $150,000. Increase in Dominion sales tax early in May from 6% to 8% made profits a little less in the quarter but they were better for the year. The next quarter will include the high sales period of August.

Cash is down in the year nearly $50,000 to $33,465 but investments are up from $124,996 to $631,701. Inventories are slightly lower but all current assets have increased from $2.4 millions to $2.9 millions. Current liabilities in the same period increased from $1.3 million to $1.6 million. The bank loans went up from $500,042 to $759,848.

The interesting item is the increase in investments. Outside the current assets is another item of $554,754 for investments in and advances to affiliated companies. No such item was shown a year ago. Brewing Corp. sold its Manitoba subsidiary, Kiewel Brewing Co. to United Securities some months ago. United Securities already had Pelissiers and was planning a merger of Manitoba companies. The funded debt increased also during the year from $815,000 to $1.4 million.

**Consolidated Profit and Loss Account**

| 3 Months Ended July 31 | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Profit from oper. | 1,034,075 | 1,016,345 |
| Less taxes | 785,573 | 745,928 |
| | 248,502 | 270,417 |
| Other income | 30,982 | 7,164 |
| | 279,484 | 277,581 |
| Less: Interest | 26,751 | 20,019 |
| Depreciation | 92,666 | 90,519 |
| Profit | 160,067 | 167,043 |

| 12 Months Ended July 31 | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Profit from oper. | 3,059,353 | 2,832,202 |
| Less taxes | 2,451,145 | 2,225,154 |
| | 608,208 | 607,048 |
| Other income | 53,551 | 37,292 |
| | 661,759 | 644,340 |
| Less: Interest | 76,865 | 75,851 |
| Depreciation | 378,586 | 364,976 |
| Profit | 206,308 | 203,513 |

## Dominion Gas & Electric

Interim report of Dominion Gas & Electric Co. for the 12 months ended June 30, 1936 shows higher operating revenue, net earnings and net profit than in either of the calendar years of 1935 and 1934.

Earnings on preferred for the 12 months amounted to $13.48 as compared with $8.04 in 1935 and $2.23 in 1934. On common earnings were $1.03 after allowing $7 on preferred, were 17 cents in 1935 and were nil in 1934.

**Cons. Income & Surplus Account**

| Years Ended | June 30 1936 | Dec. 31 1935 |
|---|---|---|
| | $ | $ |
| Oper. rev. | 4,454,858 | 4,244,159 |
| Less: Oper. exps. | 2,561,331 | 2,478,582 |
| Net oper. inc. | 1,893,527 | 1,765,577 |
| Add: Non-oper. inc. | 17,501 | 30,135 |
| Net earnings | 1,911,028 | 1,795,712 |
| Less: Deprec. & amort. | 493,047 | 519,730 |
| | 1,417,981 | 1,275,982 |
| Prior chgs. of subsids: | | |
| Int. on fd. debt | 237,991 | 181,647 |
| Int. on unfd. debt | 27,891 | 41,469 |
| Prov. for Dom. inc. tax | 181,929 | 156,007 |
| Amort. of debt disc. and expense | 28,334 | 26,226 |
| D. of C. tax on divds. rec. | 13,474 | ...... |
| Pref. divds. | 219,206 | 221,544 |
| Earns. applic. to minor. int. in com. stocks | 18,756 | 16,694 |
| | 690,400 | 632,395 |
| Less: Int. on coll. tr. bonds, 1945 | 334,655 | 413,224 |
| Int. on unfd. debt | 13,548 | 16,050 |
| Taxes on bd. int. | 2,846 | ...... |
| Loss on Can. exch. | 2,430 | 2,145 |
| Net profit | 336,921 | 200,976 |
| Add: Prev. surp. | †351,247 | 95,719 |
| Net adjusts. | ...... | 68,979 |
| Bal. car. fwd. | 686,168 | 365,674 |

* Deficit. † Calculated.

**Working Capital**

| | June 30, 1936 | Dec. 31, 1935 |
|---|---|---|
| Current assets | $1,540,205 | $1,565,434 |
| Current liabs. | 596,693 | 1,062,049 |
| Working capital | 943,512 | 503,385 |
| Ratio | 2.6—1 | 1.5—1 |

## Power Corp.

Power Corp. of Canada's financial statement for the year ended June 30, 1936, reveals a strengthening of financial position and a moderate improvement in net income. After taking care of expenses and interest charges, the balance available on the common stock was equal to 50 cents a share as against 42 cents a share in the previous year.

During the past year the company redeemed a further $291,500 of its debentures, leaving the amount outstanding at about $10.4 millions. The value of the company's investments at June 30 last was over $27.7 millions, an increase during the year of $4 millions and shows a surplus of $626,263 over the book value of $27.1 millions. The report further shows that at the end of the fiscal year the company's investment in mining securities had a book value of something over $100,000 and a market value of over $1.3 million.

**Income & Surplus Account**

| Year Ending June 30 | 1936 | 1935 |
|---|---|---|
| | $ | $ |
| Gross Revenue | 1,576,188 | 1,542,567 |
| Less: Expenses | 256,036 | 247,074 |
| Taxes | 10,348 | 5,523 |
| Net Earnings | 1,309,804 | 1,289,990 |
| Less: Interest | 486,643 | 500,406 |
| Net Income | 823,161 | 789,584 |
| Less: Pfd. Dividends | 300,000 | 300,000 |
| 2nd Pfd. Dividends | 300,000 | 300,000 |
| Surplus | 223,161 | 189,584 |
| Previous Surplus | 1,333,077 | 1,143,493 |
| Surplus Forward | 1,556,238 | 1,333,077 |

## Massey-Harris Adjourns Bond Meeting to Sept. 28

Owing to lack of a quorum, the special meeting of Massey-Harris Co. 5% 20-year debenture bondholders, in connection with proposed reductions of semi-annual sinking fund payments, was postponed to noon, standard time, on Monday, September 28.

# Foreign Exchange

**FOREIGN EXCHANGE AT TORONTO AND MONTREAL**

| | Par $ | Aug. 25 | Aug. 26 | Aug. 27 | Aug. 28 | Aug. 29 | Aug. 31 |
|---|---|---|---|---|---|---|---|
| U. S. dollar, High | .5906 | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 | 1.00 1/32 | 1.00 | 1.00 |
| Low | .5906 | 1.00 1/32 | 1.00 1/32 | 1.00 | 1.00 | 1.00 | 0.99 31/32 |
| 1935, High | .5906 | 1.00 1/32 | 1.00¼ | 1.00 1/32 | 1.00¼ | 1.00⅜ | 1.00⅝ |
| Low | .5906 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/32 | 1.00 1/32 | 1.00 11/32 |
| U. K. pound | 4.8665 | 5.03½ | 5.03¼ | 5.03¼ | 5.03⅛ | 5.03⅛ | 5.03¼ |
| Argentina | .4246 | .2801 | .2806 | ..... | ..... | ..... | ..... |
| Australia | 4.8665 | 4.0192 | 4.0182 | 4.0159 | 4.0165 | 4.0165 | 4.0174 |
| Austria | .1407 | .1890 | .1890 | .1889 | .1890 | .1890 | .1890 |
| Belgium | .1392 | .1690 | .1690 | .1689 | .1688½ | .1689 | .1689 |
| Brazil | .1963 | .0585 | 0585 | .0565 | .0565 | .0565 | .0585 |
| Czechoslovakia | .0296 | .0414 | .0413½ | .0414 | .0413½ | .0413½ | .0413½ |
| Denmark | .2680 | .2248 | .2248 | .2247 | .2245 | .2246 | .2245½ |
| France | .0392 | .0658½ | .0658½ | .0659 | .0658½ | .0658½ | .0658½ |
| Germany | .2382 | .4024 | .4025 | .4024 | .4023 | .4023 | .4023 |
| Greece | .013 | .0094¼ | .0094¼ | .0094¼ | .0094¼ | .0094¼ | .0094¼ |
| Holland | .4020 | .6793 | .6792 | .6792 | .6791 | .6792 | .6791 |
| Hungary | .1749 | .1986 | .1986 | .1985 | .1985 | .1985 | .1985 |
| India | .3650 | .3830 | .3831 | .3828 | .3827 | .3830 | .3830 |
| Italy | .0526 | .0796 | .0795 | .0795 | .0795 | .0795 | .0794 |
| Japan | .4985 | .2949 | .2950 | .2950 | .2947 | .2949 | .2948 |
| Jugoslavia | .1929 | .0229½ | .0229½ | .0229½ | .0230 | .0229½ | .0229½ |
| New Zealand | 4.8665 | 4.0515 | 4.0505 | 4.0482 | 4.0488 | 4.0488 | 4.0498 |
| Norway | .2680 | .2530 | .2530 | .2529 | .2528 | .2528 | .2528½ |
| Poland | .1122 | .1890 | ..... | .1884 | ..... | ..... | ..... |
| South Africa | 4.8666 | 5.0088 | 5.0076 | 5.0048 | 5.0054 | 5.0054 | 5.0067 |
| Sweden | .2680 | .2596 | .2596 | .2595 | .2595 | .2594 | .2595½ |
| Switzerland | .1930 | .3261 | .3261 | .3261 | .3260 | .3260 | .3260 |
| Hong Kong | .5422 | .3124 | .3125 | .3125 | .3125 | .3125 | .3124 |

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# The Nation's Business

(Continued from page 1)

expenditure in the near future of many scores of millions of dollars.

Housing and re-employment are intimately associated. But a look at the debt burdens of our governments is enough to convince one that the solution to the problem is not to be found in the establishment of new bureaus and commissions to pour out tax money in uneconomic schemes. Government's major job should be to remove the obstacles that slow up re-housing; to organize and promote, rather than to spend and manage.

* * *

## Industrial Leadership

SPEAKING at a Canadian National Exhibition luncheon this week, a leading Canadian industrialist—Wallace R. Campbell, president of Ford Motor Co. of Canada—threw out a vigorous challenge to our industrialists to lead the country back to "normal" times. Normal times, said Mr. Campbell, might be described as a condition where "opportunity existed for gainful employment for all able-bodied persons to work in national safety and individual peace of mind." To achieve this normality, he said, we are badly in need of improved public morale.

Mr. Campbell stressed the responsibility which rested on industrial leaders not only to their shareholders, their employees and consumers but also to the state, and expressed the view that one great weakness of industry—particularly the automobile industry—was its lack of frankness both to governments and to the public at large. He traced the recent exhaustive enquiry of the tariff board into the automotive industry recently to this lack of frankness, and stated bluntly that in his view the automobile industry must be prepared in the future to put its story much more clearly and widely before the public if it hoped to be understood.

The advice could be taken by almost every major industrial and commercial group operating in this or in any other democratic country today. Admittedly we need enlightened industrial leadership to achieve sound recovery but it is equally true that industry cannot give effective leadership—cannot strengthen public morale, unless there is a common bond of confidence between industry and the public.

If there were greater frankness between manufacturers and their customers, industry would have taken a long step toward putting itself in a position where its advice and leadership would be sought and accepted.

* * *

## Minimum Price For Our Wheat

IN REFUSING to listen to the clamor of certain political groups for a still higher minimum price for this year's wheat crop the federal authorities are simply getting back to the original principles laid down when Ottawa first went to the assistance of the grain pools. The Canadian Government and the Canadian people never had the slightest intention of getting into the wheat market. And it would probably have proved much more profitable and satisfactory in the end for all concerned, including the growers, had the original intentions been followed.

* * *

FUNDAMENTALLY a "minimum" price ought to be one fixed well below the market to be used only as a refuge against collapse and forced liquidation. It is an automatic "stop loss" order. Originally the Government intended to bonus growers to the extent that sales had to be made below the figure fixed.

But the early and fatal mistake of the Wheat Pools, in making a much too high initial payment to growers in the face of both shrinking and weakening markets, was carried forward into government policy and the minimum price of last year was certainly too high.

Instead of remaining a minimum price it became the maximum bid of foreign buyers. Moreover, instead of allowing the wheat to be sold in the regular way, with Ottawa footing the bill for the difference between such returns and the minimum price, the Government accepted delivery of all wheat offered.

Thus was created the impossible situation of a cycle of the shortest crops in Canada's wheat history accompanied by 5 times the normal carryover.

* * *

NOW, after almost 10 years, the Government finds itself in a position to get out of the wheat business. Rightly advantage is taken of that opportunity. But at the same time the original precaution is taken, by means of a true minimum price, of guaranteeing the western grower against any bear raids which may develop before his crop is completely marketed.

# Can. Cement Sells New Bond

## Saving in Interest Adds $1 a Share to Earnings on Preferred

From Our Own Correspondent

MONTREAL.—Directors of Canada Cement Co. have authorized the sale to Wood, Gundy and Co. of an issue of $16.5 millions first mortgage bonds, bearing interest at 3% and 3½% for short term bonds and 4¼% for long term bonds, subject to approval of the shareholders at the meeting called for September 25.

As announced last week the company plans on calling in its presently outstanding funded debt. This redemption will be taken care of with the proceeds of the new issue.

As a result of this financing, interest charges on the first mortgage bonds will be reduced from $882,750 to $641,250 annually.

**Help Preferred Stock**

The saving affected on bond interest goes a long way toward building up earnings on the preferred stock, which has been in arrears of dividends since June 30, 1932.

The lowering of interest charges by $241,500 means over $1 a share on the issued preferred.

In the fiscal year ended November 30 the company earned 19 cents a share on the preferred. Expectations are that the statement for the year ended November 30 next will show an appreciable increase, so that with the saving on bond interest, the company will be nearer to the point where it can resume dividend payments.

**Canada Cement Co. Ltd.**
**$16,500,000 First Mortgage Bonds**
$3,000,000 Series A 3% Bonds, due 1937-40.
$3,000,000 Series A 3½% Bonds, due 1941-44.
$10,500,000 of 15-year 4¼% Bonds, due 1951.

Principal and interest payable in Canadian funds. Bonds in denominations of $500 and $1,000, registerable as to principal only.

**Company**—Owns and operates a group of cement plants situated throughout Canada and located as follows: Montreal East, Que.; Hull, Que.; Belleville, Ont.; Port Colborne, Ont.; Tuxedo, Man.; Exshaw, Alta.

| Capital— | Author. | Issued |
|---|---|---|
| 1st mtge. bonds | $20,000,000 | $16,500,000 |
| Pref. shs., par $100 | $25,000,000 | $20,086,900 |
| Common shs., n.p.v. | 750,000 sh. | 600,000 sh. |

**Earnings**—Average annual earnings for 8 years ended Nov. 30, 1935, available for bond interest, depreciation and income taxes, amounted to $3,611,906. Maximum interest requirements of this issue will be $641,250 per annum, gradually reducing each year. Earnings on the above basis, for the 8 months ended July 31, 1936, were $1,329,062, compared with $963,108 in the corresponding period of 1935.

**Security**—First specific mortgage on lands, interests in lands, buildings, plants, equipment and other property of the company and by a floating charge on all other assets. Lands, buildings and equipment had a depreciated value of $37.1 millions as of July 31, 1936.

**Redeemable** — At 101 for the 3% and 3½% bonds; the 4¼% bonds are callable at 103 on or before Nov. 1, 1941; thereafter at 102 to Nov. 1, 1946; thereafter at 101 to maturity.

**Sinking Fund** — Commencing Nov. 1, 1945, a sinking fund of $500,000 annually is provided for the 4¼% bonds.

**Purpose of Issue**—To be used to retire the 5½% first mortgage bonds at present outstanding.

**Offering**—$10.5 millions of 4¼% bonds offered at par by Wood, Gundy & Co. Serial bonds already subscribed for.

# Public Utility Earnings

**East Kootenay Power Co.**

| | 1936 | 1935 |
|---|---|---|
| July— | $ | $ |
| Gross revenue | 39,028 | 37,116 |
| Oper. expenses | 11,626 | 10,993 |
| Net revenue | 27,402 | 26,123 |
| 4 months end. July— | | |
| Gross revenue | 148,580 | 145,374 |
| Oper. expenses | 46,974 | 45,024 |
| Net revenue | 101,606 | 100,350 |

**Canada Northern Power**

| | 1936 | 1935 |
|---|---|---|
| July— | $ | $ |
| Gross revenue | 372,029 | 366,723 |
| Operating expenses | 144,130 | 140,189 |
| Net revenue | 227,899 | 226,544 |
| 7 Mths. End. July— | 1936 $ | 1935 $ |
| Gross revenue | 2,619,013 | 2,526,300 |
| Operating expenses | 992,142 | 952,109 |
| Net revenue | 1,626,871 | 1,574,191 |

# Railway Earnings

**Canadian Pacific Railway**

| | 1936 | 1935 |
|---|---|---|
| July— | $ | $ |
| Gross earnings | 11,577,429 | 11,129,567 |
| Working expenses | 10,598,329 | 9,603,385 |
| Net earnings | 979,099 | 526,181 |
| From Jan. 1— | | |
| Gross earnings | 73,621,776 | 67,658,191 |
| Net earnings | 7,770,099 | 7,588,200 |

**Canadian National Railways**

| | 1936 | 1935 |
|---|---|---|
| July— | $ | $ |
| Operating revenues. | 15,296,295 | 14,871,131 |
| Operating expenses. | 15,209,092 | 13,765,010 |
| Net revenue | 87,203 | 1,106,120 |
| Aggregate to July 31— | | |
| Operating revenues. | 100,757,723 | 95,002,926 |
| Operating expenses. | 98,195,479 | 91,729,268 |
| Net revenue | 2,562,244 | 3,273,658 |

# Zinovieff and Roosevelt Once in Same "Mark" Deal

(Continued from page 1)

Germany at present and sound and attractive investments can be secured for marks at prices which should ensure profitable returns coupled with safety of principal." It was further represented that the mark had a greater purchasing power in Germany than on this continent. If exchange rose there would be a profit. If the mark fell to the vanishing point the assets would remain. It was represented that the holding of mark currency or drafts was hazardous. Senator Andrew Haydon was a director, and his firm, McGiverin, Haydon & Ebbs, Ottawa, were Canadian counsel for the company.

It looked very well on paper but what the full response was from holders of German marks on this continent is not known. By June 5, 1925, the old German mark had become nothing but a memory.

In December, 1922, Mr. Roosevelt announced that the first 100-million mark investment in Germany had been made in a widely diversified list of 19 stocks, all quoted on the Boerse except one. They cost $15,000.

Later investments are not recorded in Canada and the company filed its last annual return on March 31, 1927, at Ottawa. Then Mr. Roosevelt was no longer president, all the directors except Andrew Haydon being New York City men with German names. The company was dissolved on July 12, 1927. President Roosevelt is regarded as being really anxious to help out the mark holders in the United States when he consented to head this company. It was a lovely plan on paper like a lot of the New Deal legislation which he has fathered since but signally failed to realize the hopes inspired by the progenitors of the plan. And Zinovieff was an earnest advocate of that plan.

Zinovieff, whose real name is said to have been Apfelbaum, was a close revolutionary associate of Lenin and Trotsky. Later he broke with Trotsky to work with Stalin, broke with the latter to conspire with Trotsky, and just before his sentence last week, again denounced Trotsky.

# Alta. Measures Most Radical Ever Imposed

## Municipalities to Levy for Only 3% Interest on Bonds

Special session of the Alberta legislature, dominated by the Social Credit party led by Premier William Aberhart, prorogued this week after passing 17 bills.

Some of the new laws are not effective until proclaimed.

The new legislation, and amendments to former statutes, include the most radical measures of debt adjustment ever imposed in Canada.

**Summary of Changes**

Most important of the new statutes are summarized as follows:

The Alberta Credit House Act provides for payment of "basic dividends," in the form of Alberta credit deposited in the credit house, and also for a levy of the "unearned increment" of Alberta credit as the credit passes through the credit house.

Amendment to the Trade and Industry Act contains provision for formation of a price-spreads board of not more than 5 members which would have power to fix prices and make investigations of price spreads.

Reduction and Settlement of Debts Act divides private debts into 2 classes and provides for reduction of both. Debts contracted prior to July 1, 1932, will be reduced by the amount of payments made since that time, whether such payments were made on principal or interest. The balance then remaining is payable in 10 annual installments without interest. The first 3 installments will be 5% of the principal, the 4 next 10%, and the last 3 are to be 15% each. For debts contracted since July 1, 1932, the maximum interest rate collectible is 5% and any interest payments in excess of 5% made since that date will be deducted from the principal.

**Adjustment Act Extended**

The Debt Adjustment Act of 1933 was amended to extend provisions of the act 4 years to July 1, 1936. Appeals from decisions of the debt adjustment board were made impossible in another amendment.

Municipalities' Securities Interest Act was passed prohibiting the municipalities from collecting taxes to pay more than 3% interest on their securities.

Provincial Securities Interest Act validates action by order-in-council last May reducing interest by 50% on Alberta provincial bonds.

Prosperity Certificates Act ratifies the issue of stamp scrip certificates and authorizes the city of Edmonton to enter into an agreement to accept the certificates "notwithstanding provisions of any other act."

The Licensing of Trade and Businesses Act was amended to provide that penalties such as cancellation of licenses might be imposed on firms convicted of violating the Hours of Labor Act.

# Hydro To Refund Big Bond Issue

## Plans to Redeem Famed Abitibi Canyon Bonds

Announcement has been made by the Hydro-Electric Power Commission of Ontario that it has decided to call for redemption on April 1, 1937, its issue of bonds of $17,626,950, issued for the purchase of the Ontario Power Service Development Corp. to the amount of $20 millions.

It is proposed to replace the bonds with a new issue bearing a lower coupon rate. It is estimated that a saving of $4 millions will result. Interest on the present bonds is at the rate of 3½% to Oct. 1, 1937; 4% from Oct. 1, 1937, to Oct. 1, 1942; and 5% from Oct. 1, 1942, to Oct. 1, 1952.

When issued the bonds carried the provision that "the Commission shall be at liberty on any interest payment date to redeem the whole or any part of the debentures then outstanding at par and accrued interest upon giving at least 3 months notice to the holders of the debentures to be redeemed."

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# Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew Surp., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Assoc. Brew. | 15c | Sept. 30 | Aug. 15 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Bright, T. G. | 7½c | Sept. 15 | Aug. 31 |
| Do., pref. | $1.50 | Sept. 15 | Aug. 31 |
| B. C. Power, A | 40c | Oct. 15 | Sept. 30 |
| Bell Telephone | $1.50 | Oct. 15 | Sept. 23 |
| Bonded Corp. | 10c | Sept. 2 | Aug. 26 |
| Brazilian Tr., pf. | $1.50 | Oct. 1 | Sept. 15 |
| Biltmore Hats, pf. | $1.75 | Sept. 15 | Aug. 15 |
| Bk. of N. Scotia | $3 | Oct. 1 | Sept. 15 |
| Belding Cort. | $1 | Oct. 1 | Sept 15 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Confed. Life | $1 | Sept. 30 | Sept. 25 |
| Can. Canners, 1 pf. | $1.50 | Oct. 1 | Sept. 15 |
| Cosmos Imp. Mills | $1.25 | Oct. 15 | Sept. 30 |
| Can. Malting | 37½c | Sept. 15 | Aug. 31 |
| Can. Perm. Mtge. | $2 | Oct. 1 | Sept. 15 |
| Can. Indus., A & B | $1.25 | Oct. 31 | Sept. 30 |
| Do., pref. | $1.75 | Oct. 15 | Sept. 30 |
| Can. For. Inv., pf. | $2 | Oct. 1 | Sept. 15 |
| Do., com. | 40c | Oct. 1 | Sept. 15 |
| Can. Nor. Pwr. | 30c | Oct. 26 | Sept. 30 |
| Do., pref. | $1.75 | Oct. 15 | Sept. 30 |
| Can. West N. Gas, pf. | $1.50 | Sept. 1 | Aug. 15 |
| Can. Wirebound, A | 37½c | Oct. 1 | Sept. 15 |
| Cariboo Gold | 2½c | Oct. 1 | Sept. 5 |
| Dom. Bank | $2.50 | Oct. 1 | Sept. 19 |
| Electrolux | 40c | Sept. 15 | Aug. 15 |
| Do., extra | 10c | Sept. 15 | Aug. 15 |
| Hightower Oil | 5c | Sept. 1 | Aug. 26 |
| Do., pref. | 5c | Sept. 1 | Aug. 26 |
| Ham. Un. Theat., p. | $1 | Sept. 30 | Aug. 31 |
| Hollinger Gold | 5c+5c | Sept. 7 | Aug. 24 |
| Inter. Mining | 15c | Sept. 21 | Aug. 31 |
| Inter. Nickel, c. | 35c | Sept. 30 | Aug. 31 |
| Imp. Tobacco, ord. | 8¾c | Sept. 30 | Sept. 11 |
| Do., pref. | 3% | Sept. 30 | Sept. 11 |
| Lava Cap Mining | †2c | Sept. 30 | Sept. 10 |
| London Life | $2 | Sept. 30 | Sept. 25 |
| Louisiana Land | 10c | Sept. 15 | Sept. 1 |
| Lake Shore Mines | $1 | Sept. 15 | Sept. 1 |
| Mitchell, J. S., pf. | $1.75 | Oct. 1 | Sept. 16 |
| Mtl. Cotton, pf. | $1.75 | Sept. 15 | Aug. 31 |
| Montreal Loan | 50c | Sept. 15 | Aug. 31 |
| McColl-Fron., c. | 20c | Sept. 15 | Aug. 15 |
| Monarch Knitting | $1.75 | Oct. 1 | Sept. 15 |
| Moore Corp., A pf. | $1.75 | Oct. 1 | Sept. 10 |
| Do., B pf. | $1.75 | Oct. 1 | Sept. 10 |
| Do., com. | 25c | Oct. 1 | Sept. 10 |
| Nat. Breweries | 50c | Oct. 1 | Sept. 15 |
| Do., Pref. | 44c | Oct. 1 | Sept. 15 |
| N. Meth. Ldry., pf. | $1.62½ | Sept. 1 | Aug. 15 |
| Nat. Biscuit | 40c | Oct. 15 | Sept. 11 |
| Niag. W. Weav., c. | 40c | Oct. 1 | Sept. 21 |
| Ont. Silknit, pf. | $1.75 | Sept. 15 | Sept. 1 |
| Pickle Crow M. | 5c | Sept. 30 | Sept. 16 |
| Provincial Bank | $1.50 | Sept. 1 | Aug. 15 |
| Pioneer Gold | 20c | Oct. 1 | Sept. 1 |
| Power Corp., pf. | $1.50 | Oct. 15 | Sept. 30 |
| Do., 2nd pf. | 75c | Oct. 15 | Sept. 30 |
| Reno Gold | 3c | Oct. 1 | Sept. 10 |
| Remington-Rand | 15c | Oct. 1 | Sept. 10 |
| Do., stock bonus | 1% | Oct. 1 | Sept. 10 |
| Reliance Grain, pf. | $1.62½ | Sept. 15 | Aug. 31 |
| South. Can. Pr., pf. | $1.50 | Oct. 15 | Sept. 19 |
| Sylvanite Gold | 5c | Sept. 30 | Aug. 17 |
| Siscoe Gold | 5c | Sept. 15 | Aug. 31 |
| Sheep Creek Gold. | 2c | Oct. 15 | Sept. 30 |
| Spooner Oils | ▴10c | | Aug. 15 |
| Teck-Hughes | 10c | Oct. 1 | Sept. 10 |
| Tuckett Tob. pf. | $1.75 | Oct. 15 | Sept. 30 |
| Union Gas | ‡12½c | Sept. 15 | Aug. 20 |
| H. Walker-G. & W. | 50c | Sept. 15 | Aug. 22 |
| Do., pref. | 25c | Sept. 15 | Aug. 22 |
| Wright-Har. | 10c | Oct. 1 | Sept. 8 |
| Do., extra | 5c | Oct. 1 | Sept. 8 |

‡Interim.
†Initial.
▴Capital distribution. Payable within 30 days from issue of supplementary letters confirming reduction of par value from $1 to 90 cents per share.

## Hiram Walker Raises Bulk Whisky Price 5c

Hiram Walker, American Commercial Alcohol Company and Continental Distilling, have raised the price in the United States of their bulk whisky from 55 cents to 60 cents a gallon with cooperage extra. Higher grain prices are given as the cause of this rise. Hiram Walker sells very little bulk whisky keeping most of the output for its own use. Considerable business is done by smaller companies with rectifiers, who blend the whiskey with spirits. This will not be so good for the rectifiers, but will help the large distilling companies.

U. S. whisky stocks are now nearly 316 million gallons, and distilling is dropping off somewhat. The first rush was to establish sufficient aged stocks as soon as possible.

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in the September issue
THE CANADIAN CHARTERED ACCOUNTANT

Industrial Situation as Seen by Chartered Accountant
International Accounts
Auditors Not Prophets
Analysis of Capital Account of a Municipality
Liabilities of Auditors and Accountants
Provincial Taxation

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Manager: H. F. Struckett

The Store for Men

As seen in September

Esquire
THE MAGAZINE FOR MEN

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"BELLIN Jockey Shorts" feature a LASTEX waistband to support the abdomen and encourage correct posture. It tends to reduce the waistline of corpulent men. It gives a feeling of buoyancy and greater endurance to those playing golf, tennis, and other sports.

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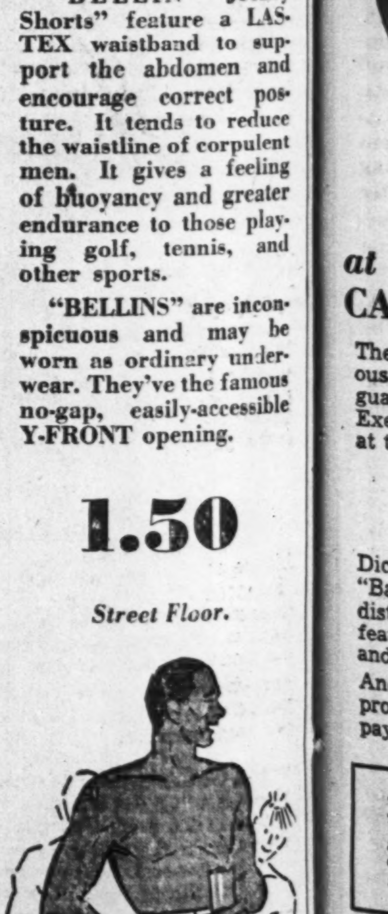
Street Floor.



Simpson's

# Investment Trusts

| | Bid | Asked |
|---|---|---|
| Can. Amer. Trust | 4.00 | 4.35 |
| Can. Invest. Fund | 4.33 | 4.65 |
| Grouped Income | 6.24 | 6.80 |
| Can. Equity | 12.50 | .... |
| Can. Int. Trust | 5.25 | 5.75 |
| All Can. Trustee | 12.60 | 13.10 |
| Trans-Canada | 12.20 | 13.00 |

# Listed Bonds

**Week Ended Aug. 31, 1936**

| | Int. rate | Due | High | Low | Range 1936 High | Range 1936 Low |
|---|---|---|---|---|---|---|
| Mtl. L. H. & P. Debs. | 3 | '39 | 51 | 50⅞ | 51¼ | 50 |
| McNish | 6 | '48 | 4.00 | ... | 4.00 | 3.00 |

# Weekly Record of Financing in Canada

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Municipal— | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Preston, Ont. | Aug. | Stewart, Scully & Co. | 3½% | 5-ins. | $12,000 | 99.75 | .... |
| | | | 3½% | 10-ins. | 17,000 | | |

**OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES**

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Canada Cement Co. | Sept. | Wood, Gundy & Co. | 3% | 1937-44 | $3,000,000 | .... | .... |
| | | | 3½% | 1937-44 | 3,000,000 | .... | .... |
| | | | 4¼% | 1951 | 10,500,000 | .... | .... |

| Stock Issues— | Date Issued | Offered by | Rate | Class | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Beaver Automotive Products | Aug. | Direct | 6% | Pref. | 10,000 shs. | $10 | .... |
| (Bonus of 1 share of common stock with every 3 shares of preferred.) | | | | | | | |
| Boyd Kirkland Gold Mines | Sept. | Cambrian Securities Co. | .... | .... | 600,000 shs. | 38c | .... |

# Claim 80% Registry For Alberta Dividend

## But Payment Remains Only a Promise — Census Snags

From Our Own Correspondent

EDMONTON. — When Premier Aberhart and his Social Credit lieutenants were exerting every pressure a week or so back to secure as large a voluntary registration of Alberta citizens as possible, several broad hints suggested to the public if they did not come forward and register there might not be any Social Credit.

Doubts that the Social Credit plan would go ahead may be said to have vanished with the official estimate that 80% of the persons on voters' lists have registered. This figure was given out after Social Credit members compared notes in caucus at the start of the special session.

An 80% Social Credit registration compares with the 54% vote attracted to Mr. Aberhart in the 1935 election and is within a few thousand of the number of persons who voted for all parties. Plainly Mr. Aberhart has no cause to complain of lack of public interest in money for nothing.

### Estimates Astray

Pending publication of final returns on registration, the 80% estimate is not confirmed by local reports, which indicate uncompleted registrations running from 30% upwards. The figure given for Edmonton, for instance, is 18,000, or 86% of the voters' list; and for Calgary 30,475, or 60% of voters' list.

The Social Credit government's advance estimates of its own accomplishments seem to suffer from exaggeration. Provision was made for $2,000,000 issue of scrip and only about 10% of that sum has been put into circulation. Completion of the Edmonton-Jasper highway by July 1 was announced last spring, and now work has finished for the season with over 30 miles left unbuilt. The dividend promises, starting at $25, zoomed up to $75 and $100 about election time, and now are repeated in terms of $5 or $10, still in the promise stage.

The importance of a full registration to the Aberhart plan of Social Credit is seen because it includes, in addition to an expression of willingness to accept dividends, a census of production and consumption of Alberta upon which will be based calculations of the dividend. The purpose is to determine production and consumption and then issue a dividend that will permit consumers to use up all the province's production. It is expected consumption will be far below production, and if the figures do not show this, a rude shock awaits the Social Credit theorists.

Consideration of the probable results of the Social Credit census suggests that little information of worth will be obtained, either as a basis for government policy or as a foundation for a new economic system. The Social Credit questionnaires, for instance, ask: "What is your income?"

A tabulation of the answers would give Alberta's purchasing power, so the Social Credit statisticians believe. One instance will illustrate its inadequacy. Take the case of some 5,000 school teachers, who may be expected to report a combined income of about $5,000,000. There is no provision in the registration to reveal the production in which these teachers are engaged, which is the production of educational services. Thus there is no item to offset this $5,000,000 purchasing power.

The issue of "prosperity certificates," pending the greater experiment with Social Credit, is rapidly becoming a forgotten thing.

### Laboring For Scrip

The scrip has shown a surprising ability to remain at par in defiance of normal influences tending to put it at a discount. The secret lies in the fact that Social Crediters have actively followed Mr Aberhart's exhortation to "keep it circulating." In practice, this has meant that wherever a merchant has reported difficulty with scrip, local Social Crediters have arrived to take it off his hands, turning it into other channels The amount of scrip issued has been small enough to prevent undue difficulties for the party folk engaged in this labor in the cause of scrip.

# C. N. R. Redeems G. T. R. 6% Issue

From Our Own Correspondent

MONTREAL. — Redemption of $24.2 millions of Dominion-guaranteed Canadian National Railways bonds in New York has been provided for out of Dominion government cash balances, according to a statement by Hon. Charles Dunning, Minister of Finance. Funds for this purpose have been accumulated by the government in New York and a loan made to the company to meet its obligations.

The issue in question is the Grand Trunk Railway 15-year 6% sinking fund gold debenture bonds, maturing September 1, and guaranteed by the Dominion. Including this issue, a saving of over $4 millions in interest on C.N.R. has been effected in the past 2 years through redemptions effected on funds advanced by the Dominion Government.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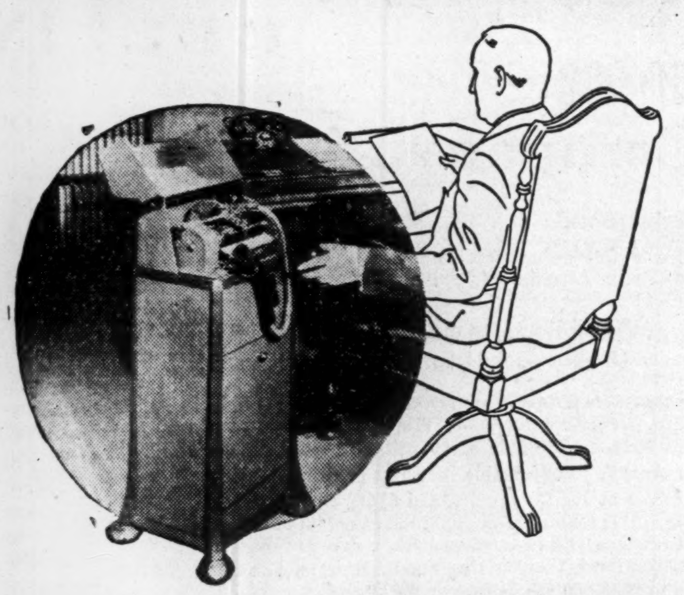

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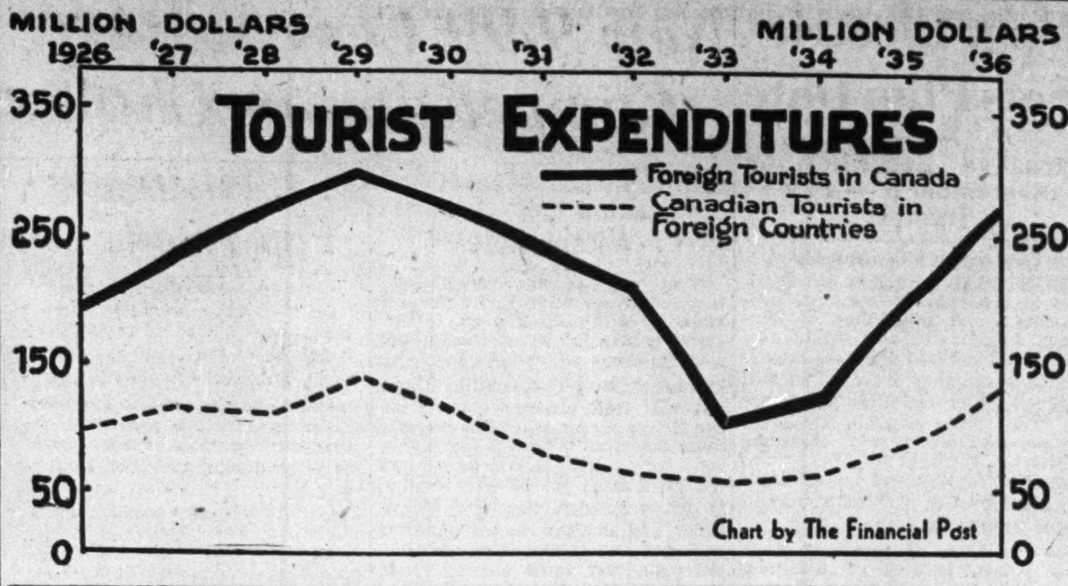


# Tourist Trade For Dominion Booms Again

## 17 Million Visitors Expected to Spend $275 Millions

### BIG INDUSTRY

(Continued from page 1)

velopment has taken place. But they all admit that business has been better farther north.

In the last few years new roads have been pushed farther and farther toward virgin country of the north. American tourists particularly, having visited the southern country before are following these new roads. And of course the miraculous happening at Callander, Ontario, near North Bay, has added further incentive to this northern trek. Indeed it is from the little village of Callander (pop. 550) and not Montreal, Toronto, Winnipeg or Vancouver that many of these visitors now measure distance in Canada.

### How Far From Callander?

A group of American school teachers meeting some Canadian women of the same profession on one of the Upper Lake boats this summer asked their new acquaintances from which part of the Dominion they hailed. The reply was Toronto. Now teachers in all parts of the world are supposed to have some knowledge of geography, but Ontario readers at least may not be flattered that their capital did not register at all with these fair American instructors

"Toronto?" they mused, "Never heard of it. About how far would that be from Callander?"

In July, 1935, 22,000 automobiles visited the Dionne quintuplets. The same month this year saw 1,000 cars daily bringing a total of nearly 125,000 persons. August figures ran still higher. Even in June, not usually considered a real tourist month, some 50,000 people made the pilgrimage to Callander. For the whole of 1935 a total of 200,000 visitors was reported. This year it is anticipated the number will be doubled.

### Ottawa Sightseers

Another index is supplied by the sightseers who come to the federal parliament buildings. These are shown around the $18 millions Gothic edifice by guides, and from the Peace Tower view the lordly Ottawa and the leafy environs of Parliament Hill.

Taking July as a typical tourist month, the following figures, supplied by Chief Laundy of the Protective Service, House of Commons, indicate the recent trend:

Parliament Bldg. Visitors

| July | Number |
|---|---|
| 1930 | 22,185 |
| 1931 | 17,690 |
| 1932 | 17,258 |
| 1933 | 14,189 |
| 1934 | 16,487 |
| 1935 | 19,899 |
| 1936 | 22,373 |

Chief Laundy's August figures show even more substantial gains. He predicts a total of 50,000 visitors, based on the first 21 days, as compared with 33,352 a year ago, and 44,976, the previous all-time peak. Most of these visitors are from the United States.

### At Both Ends

Accurate check has been kept on the number of American automobiles entering Nova Scotia at Yarmouth, Digby and Amherst. July of this year, according to the authorities, showed a gain of just over 40% above the corresponding month a year ago. Almost 17,000 cars entered the Atlantic province at these 3 points of which more than 25% were from Massachusetts. Many American visitors, including President Roosevelt, have permanent summer homes in the Maritimes.

At the other end of the country the Vancouver Golden Jubilee celebrations are credited for boosting business by $20 millions. Transportation companies including the B. C. Electric Railways are reported to have enjoyed substantial gains in passenger traffic.

### 17 Million Visitors

Nearly 15 million people visited Canada last year as tourists and 1936 will see that figure go a couple of million higher.

The question of how these visitors arrive each year is soon answered. Of the $202 millions spent last year it is estimated considerably more than half or approximately $132 millions was expended by motorists and $70 millions by those who entered the country by rail or steamer.

Of that $70 millions about $10 millions is credited to ocean passengers from overseas countries and $60 millions to the American tourists coming by trail or steamer. The latter group would include a larger proportion of the fall hunters whose expenditures per person naturally would be a great deal higher than those of the ordinary motorist who may come across the line for only a few hours.

### Mostly From U. S.

But whether arriving by train, boat or motor, by far the bulk of the huge trade is supported by Americans. The Canadian Travel Bureau estimates that $192 millions of the $202 millions spent in 1935 was supplied from that source, and the proportion this year will be equally high.

Last year the Travel Bureau made a study of the parts of the United States from which this vast cavalcade is drawn. Using the number of direct enquiries as a yardstick, it discovered that New York and Ohio were the largest sources of visitors, percentages of the leading states being as follows:

Where U. S. Tourists Come From

| States: | Percentage |
|---|---|
| New York | 18.00 |
| Ohio | 11.05 |
| Pennsylvania | 8.39 |
| Illinois | 7.46 |
| Michigan | 5.10 |
| New Jersey | 4.75 |
| California | 4.14 |
| Massachusetts | 4.11 |
| Minnesota | 3.52 |
| Wisconsin | 3.38 |
| Others | 30.10 |

Least interested in visiting Canada appear to be residents in Nevada, Mississippi and New Mexico.

### Buy Everything

There appears to be no statistical answer to the questions: "Where does the tourist's dollar go? What does he buy?"

The American tourist buys china, linens and woollens. Gas and oil, tires and batteries, automobile repairs, naturally form a considerable portion of the sum.

Fishing tackle and hunting equipment, licenses, guides, groceries, beverages and camp supplies, hotels and restaurants, cabin camps, souvenirs, French Canadian handicraft work, Indian craft, account for a substantial part of the $275,000,000 which it is estimated will be spent in Canada before the end of 1936.

Some visitors too, up here originally on a fishing trip or sightseeing jaunt, take a fancy to the country, and buy summer property. Some go even further and purchase an industry, or the site for a branch plant or a gold mine

"I venture to say," observes Leo Dolan, "that there is not a single channel of Canadian trade which is not assisted in some way by the tourist."

### Some Stay Weeks

While the motor tourist who comes up for a day or so to see the quintuplets or the Evangeline Country is highly welcome, it is the American sports fisherman and the hunter who spends proportionately the largest sums in Canada, and constitutes the visitor the Canadian Travel Bureau is most anxious to interest. They are attracted into nearly all sections of Canada, but perhaps more particularly by the salmon and deep sea fishing of the Maritimes, trout and bass in Northern Quebec and Ontario and both river and sea fishing in British Columbia. Later in the year they again invade the country in search of deer, moose and ducks and in this connection again almost every province has its special attractions with the prairies competing on more than equal terms.

### Big Spenders

These are the gentlemen who spend big money. They must have high class equipment. They need expert guides. They may stay for 2 weeks to a month. The Travel Bureau was able to obtain some exact figures on a party of 23 hunters who spent some time near the entrance to Jasper Park a year ago. Their total expenditure in Canada was $15,300—about $660 a piece. And this is where their money went:

| | |
|---|---|
| License fees | $ 2,175 |
| Railway fares | 1,680 |
| Hotel expenses | 540 |
| Guides, outfitters, stores, etc. | 10,905 |

### "As Others See Us"

And what do the tourists themselves, the real customers, think about it all?

By using a standard questionnaire form, supplied to all who enquire about a trip in Canada, coupled with a form on which the tourist can report the nature and results of his last trip into Canada, the Canadian Travel Bureau is accumulating a valuable fund of information.

Tourists are invited to make frank comment about their last visit. That they do so may be gleaned from a few paragraphs taken at random from these questionnaires, which answer in a graphic way most of the above questions:

A lady in New York City, reporting that their last trip was in Quebec, with 2 passengers in the car, the trip lasting 10 days, and involving an expenditure in Canada of $200, wrote:

### Everything Satisfactory

"The customs men at the border were exceptionally kind and considerate, and I think Uncle Sam is very fortunate to have such a pleasant and peace-loving neighbor to the north. As for the police officers, they certainly 'sell Canada' to the tourists from the States; no question is too annoying to answer; no detail is too small to explain. Hope to get to the Dionne hospital next summer, Enjoyed last year's trip and have become Canada conscious."

A party of 4 spending 3 weeks in Ontario, on a tour which cost $350, write from Toledo, Ohio:

"More than pleased with the courteous treatment and fine accommodations at reasonable rates. The French River is glorious—what fishing! Hope to come back this summer."

### Explain "Bigger" Gallons

From Des Moines, Iowa, reporting on a 725-mile tour in Quebec and Ontario:

"Accommodations were satisfactory, as were prices, except those of gasoline, which seemed high, although we learned later of the larger gallons in Canada. You ought to make this fact known a little more. Stations could advertise 'Larger Gallons.' Discount of U. S. currency was annoying, but not serious."

From a tourist living at Binghamton, reporting on a 1,900-mile tour with 3 passengers, and an outlay of $450:

"The food in most of Nova Scotia was not of great variety but prices were very moderate. The roads were, in the main, terrible, being torn up pending improvement, but all inconvenience was far outweighed by the beautiful scenery and the never-failing kindness and courtesy of the inhabitants."

### Score Bad Roads

Not all the comments are so flattering to Canada. A California man, reporting on a 15-day tour in British Columbia, announced:

"We ruined the appearance and tires of our new car due to your unoiled gravel roads, and were much amused by lack of interest, salesmanship and courtesy, friendliness in stores and service stations. Park service and scenery left nothing to be desired, and we are coming back in an armored car."

A lady in New York candidly observes:

"It is my opinion that if you had a few more good paved roads, travel in Canada would be cleaner and far more enjoyable. The driver of the car was unable to see the scenery because he had to concentrate on the roads."

The above comment concerned a tour through Ontario, Quebec, New Brunswick and Nova Scotia.

### Claims Overcharging

From an Oklahoma party which spent 35 days in British Columbia:

"Hospitality everywhere we went. Had a fine hunt. Bagged one mountain sheep, one goat, 2 caribou and one black bear. Outfitter not much account, but Indian guides marvellous. Think high price of outfitters keeps many hunters out as our outfitter cleared $40 per day over what he paid the Indians and what we paid him."

"Very poor service in Quebec at gas stations. Prices on food exceptionally low. Roads good. Accommodation excellent. Canada should study the methods Michigan gas stations use. A French Canadian $2 bill could not be redeemed except in Detroit." (Flint, Michigan.)

### China and Roads

"Only criticism is that your speed limit is too low in the country. I motored sometimes for hours and met no other machines, yet was held down by officers to low speeds—35 miles per hour, when I could have gone 60 or less without harm to anyone." (Chicago.)

"Wedgwood costs exactly one half what it does in Des Moines, so we picked up some Christmas presents. Also bought a beautiful wool blanket ($10) which I am sure is a finer blanket than could be bought here for the price.

### High Fishing Licenses

"It does seem to us that the cost of fishing licenses for those who stay only a few days is far too high. Many tourists, who can stay only a few days, and are chiefly interested in fishing, do not go to Canada on account of this." (Ann Arbor, Mich.)

"Would advise that filling stations give more attention to restrooms. In one case we found conditions so bad, we drove away without purchasing the gas that we had intended getting." (Illinois.)

"Very disappointed in our trip. We understood that a 3-day fishing license could be obtained for $1, but when we went to get one at Thessalon, we were told that the cost for a party of 4 would be $22.50. We returned at once to Michigan." (Toledo, Ohio.)

### Travel Bureau Activity

The Canadian Travel Bureau was set up in August, 1934, as the result of a special Senate enquiry into the tourist industry. A vote of $100,000 to foster the trade was passed that session; and this was increased to $250,000 in 1925 and 1936.

The Bureau is intended to form a spearhead of national action in advertising Canada abroad, and as a clearing-house for the 9 provinces in dealing with enquiries and complaints. In the past each province did its own advertising, without any co-ordination from a federal body. Now the tourist trade is recognized to be of national importance and is being given federal guidance under the supervision of Hon. C. D. Howe, Minister of Transport, and D. Leo Dolan, director of the Bureau.


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MINISTER

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

JAMES G. PARMELEE
DEPUTY MINISTER

TC-348

**Investment Trends**

# Stability of Stocks Favorable Indicator

## Important New York Influences Affect Canadian Markets—Higher Taxation Coming for Quebec—Savings and Investment Funds Increasing

**Despite intermittent interruptions, industrial share prices have tended to improve in value this year.**

**On Canadian markets there have been 6 months of little progress for the averages. The Toronto industrial index stands near 135, compared with 130 at the opening of the year, and the Montreal index at about 76 is up only 6 points net. In the past 6 months, however, there has been a good deal of selective movement, with the result that the general position of the markets appears to have been strengthened.**

**The recent recession in New York, which carried Dow-Jones industrials from 169 to nearly 160, is regarded favorably. The more pronounced strength in Wall Street this year has warranted sharp but temporary recessions. In fact, market analysts who favor the view that the long term trend is upward, believe that prices could readily rise from present levels but that a larger subsequent recession would be warranted than has occurred this year.**

**One reason for less resistance in New York than here to the rise of stocks is that would-be sellers are deterred by U. S. taxes on capital gains. Another reason for comparative sluggishness in Canadian markets is drought damage, although indications are that Canada's total income will rise both for 1936 and 1937.**

**Once the American election is over, stock market activity is expected to increase.**

**Investment funds coming into Canada from Great Britain and the United States are directed chiefly into mining.**

### *Savings Support*

CONTINUED decline of commercial loans of chartered banks can be attributed to the fact that improved corporation earnings have enabled most businesses to finance their own expansion. The report of the Board of Governors of the Federal Reserve System explains, "cash resources of business (in 1935) was nearly sufficient to finance such expansion as business recovery made it necessary."

As long as the volume of new financing coming on the market consists largely of refunding of existing securities, it is obvious that there is little addition to the outstanding volume of investment issues. Consequently, the tendency for private and corporation savings to increase, as recovery progresses, should tend to sustain high security prices until such time as increased demand for funds for corporation expansion is evident.

* * *

### *Funds for Investment*

OF THE advance of stock prices in 1935, the report of the Federal Reserve governors states:

"It is an unusual development for a rise of 50% in stock prices in a short period of time not to be accompanied by a substantial increase in the amount of bank credit used for carrying securities. The abundance of funds in the hands of investors is in large part responsible for this unusual condition."

While part of the advance of the stock market was financed in the latter part of 1935 by increased brokers' borrowings, the report states that part of the rise has been financed from credit balances held with brokers by their clients. To a large extent, the advance of the stock market in the past 2 years has been based on cash purchasing, which must be regarded as a healthy condition.

* * *

### *Quebec Utilities*

THERE can be little doubt that increased taxation is in the offing for the province of Quebec. Apart entirely from any tendency of the new government to increase social services and costs of government, it has been generally overlooked that the real deficit of the province last year was close to $20 millions, including relief expenditures.

Increasing taxation may be burdensome for some of the public utilities in which there is wide investment interest. To offset this, however, many Quebec utilities are saving substantial annual fixed charges by refinancing bonds or preferred shares, and there has been a marked rising tendency in power output. The net effect of higher taxation in the province, therefore, may not be so much to reduce income available for holders of equities in Quebec utilities as to prevent or delay an increase in such income. The fact that shares of leading utilities have lagged behind the advance of other industrial stocks leaves yields on time-tested shares relatively high, as shown below:

**Common Shares of Quebec Utilities**

| | Price: *Calculated $ | Price: Actual $ | Div. $ | Yield % |
|---|---|---|---|---|
| Shawinigan ... | 20.04 | 20 | .60 | 3.0 |
| Montreal Pwr.. | 29.44 | 33 | 1.50 | 4.5 |
| Can. Nor. Pwr.. | 23.59 | 26 | 1.20 | 4.6 |
| Quebec Power . | 21.56 | 20 | 1.00 | 5.0 |
| S. Canada Pwr. | 16.63 | 12 | .80 | 6.7 |

*Addition of 10 times dividend, 5 times earnings and ¼ net equity per share.

The low yields on Shawinigan and the high return from Southern Canada Power reflect hopes and fears respectively regarding the dividends. The yields of 4.5 to 5% on the others, however, cannot be considered unattractive in comparison with income available on other securities.

## Howard Smith Co. To Use By-Product

### Wholly-Owned Chemical Subsidiary Will Produce Vanillin

**From Our Own Correspondent**

MONTREAL. — Howard Smith Chemicals Ltd., which recently took out a Dominion charter, will be controlled by Howard Smith Paper Mills.

Plans have been drawn up for the construction of a plant at Cornwall, to be completed early next year, for the manufacture of vanillin, a by-product from the pulp manufactured by Howard Smith Paper Mills at the same point. It is used in the manufacture of vanilla flavoring and perfume extracts. The plant will have a capacity of 400 lb. per 24 hours, which it is proposed to produce at the present time 100 lb. a day.

The new plant is relatively small, but it is to be built in such a way that the capacity can easily be increased as and when the demand warrants such extension.

The capital structure of Howard Smith Chemicals will be $100,000 of 6% cumulative preferred stock, and 20,000 shares of no par value common stock, all of which has been subscribed.

## N. S. Shipping Co. Assets Purchased

### Trustee for Bondholders Buys Property from Sheriff

**From Our Own Correspondent**

MONTREAL. — Property and assets of Nova Scotia Shipping Co. have been sold at public auction to the Eastern Trust Co., trustee for the bondholders.

Nova Scotia Shipping operates vessels in the lobster smacking coastal freight trade in Nova Scotia.

In the early part of 1928 the company issued $125,067 first mortgage bonds. The last available report shows about $100,000 of these bonds outstanding, on which the company may default. Action was then taken by the trustee for the bondholders, Eastern Trust Co., and a foreclosure order was issued by the courts.


# SEPTEMBER INVESTMENTS SUGGESTIONS

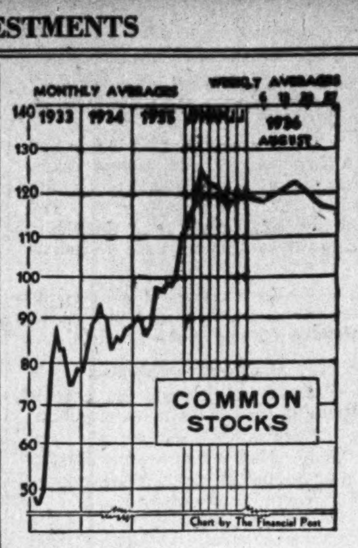
| | Interest Rate | Maturity | Approx. Yield |
|---|---|---|---|
| Dominion of Canada........ | 3½% | 1944-49 | 2.57% |
| Dominion of Canada........ | 3% | 1950-55 | 2.78% |
| C.N.R. Gtd. by D. of C....... | 3% | 1948-53 | 2.79% |
| Province of New Brunswick.. | 4½% | 1958 | 3.71% |
| Canadian Pacific Railway... | 3% | 1945 | 3.83% |
| Power Corp. of Canada....... | 4½% | 1959 | 4.47% |
| Union Gas Co. of Canada..... | 4½% | 1950 | 4.60% |
| Dryden Paper Company..... | 6% | 1949 | 6.23% |
| Gt. Britain & Can. Inv. Corp. | 4½% | 1959 | 5.58% |
| Hamil'n By-Prod. Coke Ovens | 6% | 1956 | 6.04% |
| International Bronze Powders | 6% | Preferred | 5.17% |
| Power Corp. of Canada...... | 6% | Preferred | 5.94% |

*Full particulars on request*

**NESBITT, THOMSON AND COMPANY LIMITED**

355 St. James Street West, Montreal

*Branches in the principal cities of Canada*


***IRREGULAR***

Price level of common stocks declined in the week ended Aug. 27, as measured by the Dominion Bureau index. Subsequently there has been irregular recovery. Indices appear on this page.

## Ste. Catherine Improvem't Pays 1st Mortgage Coupon

**From Our Own Correspondent**

MONTREAL.—Ste. Catherine Improvement Co. has notified holders of the 6½% first (closed) mortgage leasehold sinking fund bonds that coupons of July 1, 1936, will be paid upon presentation at the head office of the company.

## Acadia Coal Co. Secures Big Order

**From Our Own Correspondent**

MONTREAL.—At least 5 months work is assured in mines owned by Acadia Coal Co. following announcement of receipt of a 40,000-ton coal order. The coal is to be used by the Canadian National Railways and will be shipped by rail.

## Wpg. Electric Sets Plan Date

### Exchange Securities on September 8 — Pay Interest

**From Our Own Correspondent**

MONTREAL.—Holders of securities involved in the plan of consolidation and adjustment of Winnipeg Electric Co. and subsidiaries have been notified the new securities to which they are entitled will be available on and after September 8. The reorganization involves Winnipeg Electric Co., Manitoba Power Co., Northwestern Power Co., Winnipeg, Selkirk and Lake Winnipeg Railway Co., and the Suburban Rapid Transit Co.

At the time of receiving their new bonds, holders of the new series "A" bonds Winnipeg Electric Co. will also receive interest at the rate of 4% for the year ended January 2, 1936, and for the 6 months ended July 2, 1936, a total of $60 for each $1,000 bond. Those receiving new series "B" bonds of Winnipeg Electric Co. will receive interest at the rate of 4% for 1935, a total of $40 per $1,000 bond.

Holders of old 6% bonds, due 1954, of Winnipeg Electric Co., will also receive interest at the rate of 6% per annum for the period from October 2, 1934 to January 2, 1935, being $15 per $1,000 bond.

## Montreal Power Offer Taken Up by Beauharnois

**From Our Own Correspondent**

MONTREAL.—Deposits of Beauharnois Light, Heat and Power Co. 5½% first mortgage bonds were in excess of the 80% margin required to make the offer of Montreal Light, Heat and Power Consolidated effective. This ensures the formal completion of the exchange of Beauharnois 5½'s for Montreal Power 3½'s due 1973, on a basis of par for par.

# Investment Notes

**Nickel, McIntyre** — Addition of 1,000 shares of International Nickel brought total holdings up to 4,000 shares in the portfolio of Shenandoah Corp., U.S. investment trust, at June 30, 1936. The trust disposed of all its shares of McIntyre Porcupine Mines. American investing organizations have recently been disposed to liquidate their holdings of senior Canadian gold shares in many cases with handsome profits. Opinion apparently continues favorable on Nickel and also Noranda.

* * *

**Money Talks**—Expression of opinion appears in the form of security transactions by Corporate Investors Ltd., Toronto investment trust, for the quarter ended July 31, 1936. Securities sold, added and increased in the quarter were as follows:

Sold—Montreal 6% bonds of 1944, Montreal Protestant School 6's of 1937, Winnipeg 6's of 1942, B. A. Oil 5's of 1945. All were bonds, it should be noted. Contrary to other reports, the company retained its stock in Canadian Westinghouse and Consumers' Gas.

New additions — Canada Cement 6½% preferred Canadian Canners, second convertible, and, first 6%, preferred, Standard Fuel 6½% preferred, Bathurst Power A, Fraser Companies common, Marcus Loew's 7% preferred.

Increases — International Bronze Powders 6% preferred, Building Products A, Falconbridge Nickel Mines, Page-Hersey, Steel of Canada and Canadian Dredge common shares.

* * *

**Simpsons**—There has been some buying of the 6½% preferred recently on the strength of improved sales through the new 99c. section. It is also attributed to the yield of nearly 5% from the partial dividend of 4% and the fact that the shares hold the possibility of improved value if earnings recover to allow the full payment.

* * *

**Union Gas**—Has been inclined to weakness, but the selling seems to come from disappointed speculators.

* * *

**Canada Malting**—Crop conditions and increasing beer sales in Ontario have promise of another good year for 1936-37.

* * *

**Burry Biscuit** — The common is viewed favorably by interests close to operations, but the newness of the company to Canadian investors makes for slow distribution of shares.

* * *

**Western Canada Flour** — Recent rise of the preferred above 50 appears to reflect some improvement in operations.

* * *

**MacLaren Power and Paper Co.**—Revenue for 1936 is estimated at $800,000. This is the amount available for depreciation and bank interest and is above that reported for 1935. On the basis of the new price for newsprint, earnings in 1937 before depreciation are calculated at $1 million. At the moment stock interest in MacLaren Power and Paper is limited, but if the present plans are carried through to have the shares quoted on the Montreal Curb Market, there should be a broadening of interest in the company.

* * *

**Canadian Celanese**—The 7% cumulative preferred stock continues to be ineligible for investment for the life insurance companies, according to a ruling handed down by the Department of Insurance. The department rules that dividends paid while the arrears of dividends were being carried cannot be regarded as regular dividends. As apparently little or none of this stock is held by insurance companies, the ruling does not affect the market position of the security.

* * *

**Price Bros & Co.** have notified their customers they will accept business for delivery in 1937 on the new price schedule of $42.50 a ton delivered in the New York and Chicago zones. So far only Canadian International Paper and St. Lawrence Paper Mills have made a public statement on the new price policy, but other manufacturers have privately notified their customers that the increase for 1937 will be only $1.50 over the present base price of $41 a ton.

* * *

**Foundation Co.**—Recent success of the company in quoting on important contracts has drawn attention to Foundation stock as a medium for sharing in the expected expansion in the major division of the construction industry.

* * *

**Brazilian Traction** — News from Brazil with a bearing on Brazilian Traction dividend possibilities continues mixed. International trade balance does not yet favor improvement in exchange, and therefore in facilities to get money out of Brazil on permanently dependable basis. But future position may improve as coffee statistical position improves monthly. World coffee deliveries in the year ended June 30, 1936, were 25.8 million bags, a 14% gain and a new high record. Brazil supplied 16.1 million bags, or 62.4%, a gain of 8.5% over preceding year. Sales to United States made a new record. Crop estimate for 1936-37 is 22 million bags in Brazil and the sacrifice quota decided on is 30% or 6.6 million bags. To June 30, 1936 coffee destruction totalled 36.6 million bags. Destruction this year will include 4 million bags of last year's crop and 6.6 millions of new crop.

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Iron and steel 15 | Pulp and paper 6 | Milling 5 | Oils 5 | Textiles and clothing 11 | Food and allied products 18 | Beverages 9 | Total industrials 89 | Total utilities 23 | Total co's. 112 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1929-35:* | | | | | | | | | | |
| High ......... | 388.9 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 205.4 | 317.6 | 166.0 | 232.6 |
| Low ......... | 39.8 | 2.8 | 37.7 | 83.6 | 28.0 | 72.1 | 28.5 | 49.3 | 33.1 | 40.9 |
| Monthly Figures, 1936: | | | | | | | | | | |
| January ..... | 130.3 | 18.6 | 80.0 | 231.0 | 75.5 | 153.6 | 151.7 | 187.7 | 52.4 | 117.8 |
| February .... | 140.5 | 20.2 | 84.3 | 246.5 | 74.0 | 158.7 | 151.7 | 200.0 | 57.0 | 126.1 |
| March ....... | 136.5 | 18.5 | 88.7 | 237.3 | 73.1 | 153.0 | 140.1 | 194.8 | 55.5 | 122.8 |
| April ........ | 131.7 | 17.5 | 91.0 | 244.5 | 71.3 | 150.7 | 131.7 | 194.2 | 53.2 | 121.4 |
| May .......... | 125.1 | 16.7 | 87.3 | 234.0 | 68.1 | 145.7 | 131.4 | 187.9 | 52.5 | 117.9 |
| June ......... | 125.3 | 17.5 | 86.5 | 228.1 | 67.4 | 149.2 | 129.3 | 189.3 | 53.3 | 119.0 |
| July ......... | 126.0 | 18.6 | 87.0 | 224.3 | 66.8 | 153.9 | 131.6 | 190.1 | 53.8 | 119.6 |
| Weekly Figures, 1936: | | | | | | | | | | |
| Aug. 6 ...... | 127.5 | 18.9 | 87.5 | 219.3 | 68.8 | 157.0 | 128.9 | 189.3 | 53.4 | 118.5 |
| Aug. 13 ...... | 129.3 | 18.3 | 87.7 | 223.9 | 68.1 | 156.4 | 130.7 | 193.5 | 53.1 | 120.4 |
| Aug. 20 ...... | 128.4 | 18.3 | 88.9 | 222.4 | 68.5 | 157.4 | 133.2 | 193.0 | 52.7 | 119.9 |
| Aug. 27 ...... | 128.7 | 18.1 | 89.2 | 221.5 | 68.1 | 158.0 | 131.4 | 192.3 | 52.3 | 119.4 |

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Sept. 1 ...... | 135.18 | 143.70 | 143.58 |
| Aug. 31 ..... | 135.61 | 141.03 | 143.09 |
| Aug. 29 ..... | 135.41 | 140.18 | 141.23 |
| Aug. 28 ..... | 134.46 | 140.70 | 140.42 |
| Aug. 27 ..... | 133.99 | 140.99 | 140.35 |
| Aug. 26 ..... | 133.11 | 140.22 | 139.77 |
| Month ago .. | 133.61 | 146.17 | 142.14 |
| Year ago ... | 109.18 | 101.21 | 92.27 |
| High, 1936 .. | 143.48 | 150.46 | 148.12 |
| Low, 1936 .. | 125.71 | 115.97 | 123.59 |

**Montreal Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Sept. 1 ......... | 70.9 | 75.8 | 74.2 |
| Aug. 31 ......... | 70.7 | 75.7 | 74.0 |
| Aug. 29 ......... | 71.7 | 76.4 | 74.6 |
| Aug. 28 ......... | 70.6 | 76.0 | 74.2 |
| Aug. 27 ......... | 70.8 | 76.0 | 74.2 |
| Aug. 26 ......... | 70.7 | 75.3 | 73.8 |
| Month ago ..... | 71.7 | 74.7 | 73.7 |
| Year ago ...... | 61.1 | 58.1 | 59.1 |
| High, 1936 .... | 73.4 | 78.4 | 76.6 |
| Low, 1936 ...... | 67.2 | 69.5 | 68.9 |

# *New 9-99 Cent Store Competition to Chains*

### Simpsons Ltd. Meets Competition by Store Within Store

Simpson's, Ltd., has made a major merchandising move in its Toronto store by establishing a 9c. to 99c. store. It is in full swing already but soon its scope will be more evident as a large stairway of inviting gradient will lead directly down from the Yonge Street concourse into the huge basement which will be Simpson's new store. It is a new store though housed in the old, because it exerts an attraction of different order and deals with merchandise collected and displayed on a different plan from those already made familiar to Canadian shoppers in the various Simpson's departmental stores.

This move is believed to be the departmental store answer in Canada to the departure in policy of recent years whereby chain stores have been increasing the variety of their merchandise and extending the price categories in which they operate. When Woolworth and other chains sold 5c., 10c. and 15c. articles, little thought was given to competing with them. But now that a number of chains are selling articles up to $1 they are competing with an important part of departmental store business.

**Outright**

There is nothing niggardly or experimental in Simpson's 9c. to 99c. enterprise. The well-lighted and airy basement where this store is located has 6 times the area of any one Toronto store operated by a chain store company. Nearly every kind of article which can be sold for from 9c. to 99c. is to be found there in classified sections. Being so large the store has the opportunity to show far more articles in each price group than has hitherto been possible in any individual chain store. That is the objective.

Though this move has been hastened in the case of Simpson's by the increasing scope in merchandising shown by chain stores, it is not a new thought for C. L. Burton, president. The Financial Post heard the story from a reliable source some time ago that C. L. Burton had back in 1911 planned to start a number of 9c. to 99c. stores. In his wholesale buying of fancy goods he had become convinced there was a chance for a successful enterprise of that character. The late Harris H. Fudger heard of it, questioned Mr. Burton, and in consequence engaged him immediately as assistant general manager of The Robert Simpson Co., Ltd. He gave up the lesser opportunity to take hold of the greater. He became general manager 6 months later. And now—a quarter of a century later—it has become good business for Simpson's itself to enter a business which had once been a pet but abandoned idea of its present president.

**Been Going Places**

Simpson's, Ltd. has been going places in 1936. During the depression it has countered the effect of lower purchasing power in the communities it serves by starting new departments and putting them over successfully by a shrewd combination of spectacular salesmanship and sound merchandising policies. The progress made has only partly been hidden by the smaller profit margins of a depression period, by the huge increases in taxes which taxing authorities have levied to meet increasing relief and social service expenditures and by the improvement made in salary and wage expenditures since the low point of the depression.

In 1936 it bought 2 additional properties on the south side of Queen Street just east of Bay Street, the old McConkey restaurant which has been a landmark in Toronto and the old Gerhard-Heintzman building. Great speculation was aroused when news was bruited abroad that these properties had been purchased. Some thought it meant the company intended to get the remaining 2 lots and thus own or control the whole huge block on which its store is situated. They could see in imagination a new 7 to 10-story building rising in this section.

The Financial Post understands these purchases were protective rather than a preparation for a huge building programme. They were not needed for store space. It is evident that these 2 purchases forestall possible competition for the 9c. to 99c. store.

**Using New Building**

But uses are being found for the new property; already the McConkey building is partly transformed. The cellar has been deepened 20 feet and is used as a storehouse for the 9c. to 99c. store which will do its own purchasing direct and not draw from the store as a whole. The street floor has been entirely made over as a men's shoe store with greater comfort and range and some quite exceptional decorative effects. The second story has become a series of sample rooms, air-conditioned and under skylights running the whole length of the roof. Buying for the departmental store as a whole and for the 9c. to 99c. store will be centred here.

Summer sales have been excellent. They have made up for the backwardness of the spring season and department managers seem very optimistic for the fall and Christmas season. Employees are in excess of any total ever shown by the company either in boom or depression years. This is partly because of the new activities engaged in. Nevertheless volume has shown an improvement generally throughout the store. If it had not been for the increase in taxes it is likely that the company could meet not only all its fixed charges but show something on the common stock as well.

## *U. S. Publishers' Paper Stocks Low*

**From Our Own Correspondent**

MONTREAL.—Decline in newsprint paper stocks, as reported by members of the American Newspaper Publishers Association, features statistics relating to the newsprint industry this year. The returns for each month from January to July during the past 3 years follow:

**Publishers' Stocks (Days' Supply)**

| | 1936 | 1935 | 1934 |
|---|---|---|---|
| January .......... | 39 | 44 | 40 |
| February ......... | 35 | 38 | 36 |
| March ............ | 30 | 42 | 34 |
| April ............. | 29 | 31 | 34 |
| May .............. | 29 | 33 | 37 |
| June .............. | 29 | 33 | 39 |
| July .............. | 36 | 41 | 46 |

***GENERAL PARTNER***

Reginald B. Ashby has been admitted to general partnership in Pitfield & Co. He will act as the firm's floor member on the Montreal Stock Exchange.

## Canadian Dredge Gets Contracts

Department of Public Works, Ottawa, has awarded a contract for completion of the rubble breakwater at Port Arthur to Canadian Dredge and Dock Co.

The company's tender of $254,260 which was accepted is understood to have been considerably below the government's reserve tender, and below another competitive bid for the work.

**Work on Hand**

Early this year, the company had approximately $1 million in signed contracts on hand. This left the company in much the same position at the beginning of the preceding year in which the earnings were $5.02 a share.

The Port Arthur contract, added to the recent contract of over $200,000 for harbor improvements at Port Antonia, Jamaica, gives the company a substantial amount of work to carry over into 1937.

## N.B. Power Co. To Use Buses

### If Satisfactory May Give Up Electric Tram System

**From Our Own Correspondent**

MONTREAL. — New Brunswick Power Co. has under consideration development of a motor bus transportation system in Saint John to take the place of the present street railway system.

Plans under discussion provide for the inauguration of the new service in the early part of 1937, according to W. P. Southard, vice-president and general manager.

**Depend on Results**

Final decision to replace the entire present street railway system will depend upon the results of operation of the motor bus during the coming year.

During the past few months the company has made a complete survey of the transportation problem in Saint John and its decision to enter the motor bus field has been hastened by the recent controversy regarding the granting of a 40-year bus franchise by the city to Maritime Transit Co. and the later rescinding by the council of its bus resolution.

## International Paper Unit Increasing Kraft Capacity

**From Our Own Correspondent**

MONTREAL. — Southern Kraft Corp. will begin construction of a kraft mill in the southern United States that will increase production of kraft paper 30,000 tons a year and kraft board 120,000 tons, according to an announcement made by R. J. Cullen, president of International Paper and Power Co., which controls Southern Kraft. The new mill will come into production in 1937.

Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

**BARRISTER, general practice fifteen years with estates, mortgage loans and collections, also experience in Banking, and as secretary of Town municipality, open for position offering advancement with Financial or Commercial Corporation. Highest references. Write—Box 362, The Financial Post, Toronto.**

*New Issue*

**$16,500,000**

# Canada Cement Company Limited

**$3,000,000 First Mortgage Serial Bonds 3%, Series "A"**
**$3,000,000 First Mortgage Serial Bonds 3½%, Series "A"**
**$10,500,000 First Mortgage 15-Year Bonds 4¼%, Series "A"**

To be dated November 1st, 1936

Serial Bonds to mature November 1st, 1937-1944
15-Year Bonds to mature November 1st, 1951

Principal and half-yearly interest (May 1st and November 1st) payable in lawful money of Canada, at the holder's option, at the offices of the Company's bankers in Montreal, Toronto, Halifax, Saint John, Winnipeg, Regina, Edmonton and Vancouver. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only. Fully registered Bonds in denominations of $1,000 and authorized multiples thereof. Redeemable in whole or in part at the option of the Company at any time prior to maturity on thirty days' notice at 101 for the 3% and 3½% Bonds; the 4¼% Bonds to be redeemable at 103 if redeemed on or before November 1st, 1941; thereafter at 102 if redeemed on or before November 1st, 1946; thereafter at 101 if redeemed prior to maturity, in each case with accrued interest to date of redemption. Commencing November 1st, 1945, there will be provided for the 4¼% Fifteen-Year Sinking Fund Bonds, an Annual Cumulative Sinking Fund amounting to $500,000 per annum.

Trustee: Montreal Trust Company.

**In the opinion of Counsel, these Bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies Act, 1932.**

**Schedule of Maturities**

| Due November 1st | Coupon | Amount | Due November 1st | Coupon | Amount |
|---|---|---|---|---|---|
| 1937 | 3% | $750,000 | 1941 | 3½% | $750,000 |
| 1938 | 3% | 750,000 | 1942 | 3½% | 750,000 |
| 1939 | 3% | 750,000 | 1943 | 3½% | 750,000 |
| 1940 | 3% | 750,000 | 1944 | 3½% | 750,000 |

**$10,500,000 4¼% Bonds, due November 1st, 1951. Price 100 and accrued interest**

We offer the 15-Year Bonds subject to prior disposal and change in price if, as and when issued and accepted by us, and subject to the approval of Messrs. Brown, Montgomery and McMichael, Montreal.

We offer 15-Year Canada Cement Company Limited 4¼% First Mortgage Bonds, due November 1st, 1951, at 100 in exchange for presently outstanding Canada Cement Company Limited 5½% First Mortgage Bonds, due November 1st, 1947, the price to be paid for the latter Bonds to be 110.35 flat (Canadian funds—cum November 1st, coupon), which price is calculated to include payment for principal, premium on redemption, full interest to November 1st, 1936 (from which date the new Bonds will bear interest) and also includes an amount equal to the existing premium on sterling exchange. This price of 110.35 will be subject to change in accordance with fluctuations in sterling exchange.

Cash orders will be received during the period of exchange subject to confirmation and allotment after the expiration of the exchange period.

**A prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, will be promptly furnished on request.**

# Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng.

36 King Street West, Toronto, Telephone: Elgin 4321

Ottawa, Hamilton, Vancouver, London, Ont.

## Bond Markets

# Minor Advances Send Prices to New Level

### Bond Market Comes Out of Doldrums — Alberta Still After Interest Slash — Ontario Retires $7.3 Million Debentures

After a week of lethargy the bond market is again bestirring itself, prices moving to higher levels. New highs have been chalked up by The Financial Post indices of prices of high-grade government bonds and of industrial bonds. Advances for the most part, however, have been of minor character.

Canada Cement Co.'s refunding issue should prove attractive to investors. A large portion of the issue has already been subscribed for by holders of the present 5½% bonds.

The report of economic and financial experts on the finances of Alberta has been submitted to the bondholders' protective committee. No decision has yet been made by the committee as to the next step and it is not likely any announcement will be made until study of the report has been completed. In the meantime bondholders are advised to continue to refrain from cashing their coupons at the reduced rate. Action is being taken by the Alberta Government to validate the interest reduction by statute.

Considerable irritation may lie ahead for holders of Alberta municipal bonds. An act has been passed by the provincial legislature prohibiting municipalities from levying taxes to pay more than 3% interest on their bonds. The act is to go into effect only on proclamation.

The prospect of increased taxation as a result of the social programme of the new Quebec Government is regarded in some quarters as a threat to the investment standing of Quebec bonds. Increased taxation would have been necessary in any event since the deficit in the last fiscal year was in excess of $20 millions.

### Theorists Wrong

CLASSICAL economists who claim that low interest rates on borrowing encourage demand for new capital, need to revamp that theory.

Although yields from Dominion of Canada bonds and eastern provincial securities are at lower levels than at any time in the present century, there is no indication of a revival of new borrowing. In fact industrial loans of Canadian banks continue to decline and are currently at a lower level than at any time since 1910.

In recent months there has been some diversion of funds from bonds to other types of securities, but this has been small in comparison with the volume of funds seeking investment.

* * *

### Ontario's Position

RETIREMENT of a $7.3 millions debenture obligation by the Ontario Government out of current revenue is encouraging indeed, but it is quite possible a wrong interpretation will be placed upon the redemption.

Ontario's budget position has shown very marked improvement, but it is doubtful whether the surplus for the current year will be anything like $7.3 millions as the retirement of the issue out of surplus funds might indicate. Premier Hepburn in bringing down the budget for 1936-37 predicted a surplus of only $600,000.

A good deal of the improvement to date has been due to collection of unpaid succession duty taxes. Since this is non-recurring revenue applicable to previous years it should not be included in ordinary revenue but rather as capital income. In addition it should be kept in mind the Government collects a large portion of its revenue during the early part of the fiscal year and this accounts to a large extent for the existing surplus. It is likely expenditures in the latter part of the year will exceed revenues, so that surplus on the year's operations will be much smaller than the present position of the Government's finances would seem to indicate.

* * *

### Corporation Bonds

CONSIDERABLE strength has been evident in the corporation bond market, The Financial Post index breaking through the 103 level. The trend of the market in recent months is indicated below:

**The Financial Post Index of Corporation Bond Prices**

| | 1936 | 1935 | 1934 | 1933 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Aug. | 102.84 | 99.7 | 92.2 | 79.8 |
| July | 102.59 | 98.7 | 92.2 | 80.0 |
| June | 102.42 | 98.1 | 92.1 | 77.7 |
| May | 102.12 | 97.9 | 92.7 | 70.0 |
| April | 102.50 | 96.4 | 90.8 | 60.3 |
| March | 102.41 | 96.9 | 89.6 | 60.0 |
| Feb. | 102.38 | 98.6 | 88.1 | 63.5 |
| Jan. | 102.01 | 99.0 | 78.7 | 67.2 |

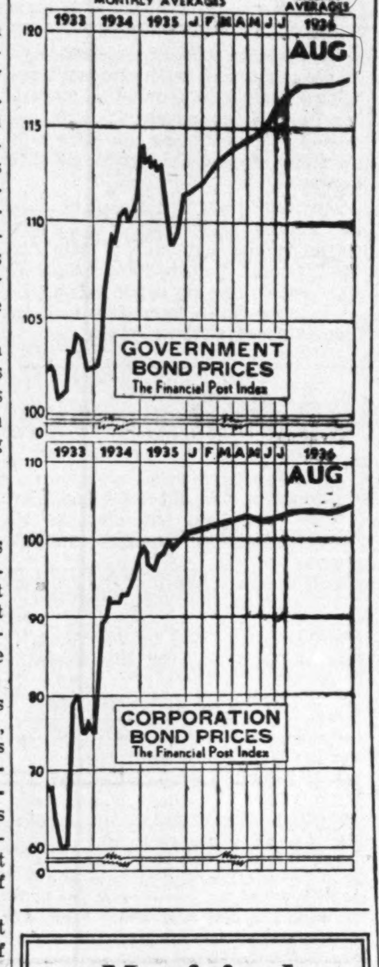
* * *

### Government Bonds

HIGH-GRADE government issues continue to record advances and recently new ground has been broken by The Financial Post index. The trend of the market is indicated below:

**The Financial Post Average Price and Yield for High-Grade Government Bonds**

| 1936 | Price $ | Yield % | 1935 | Price $ | Yield % |
|---|---|---|---|---|---|
| Sept. 1 | 117.68 | 2.987 | Aug. 31 | 111.54 | 3.637 |
| Aug. 31 | 117.68 | 2.987 | Aug. 30 | 111.54 | 3.637 |
| Aug. 29 | 117.66 | 2.988 | Aug. 29 | 111.63 | 3.629 |
| Aug. 28 | 117.70 | 2.986 | Aug. 28 | 111.81 | 3.609 |
| Aug. 27 | 117.68 | 2.987 | Aug. 27 | 111.95 | 3.590 |
| Aug. 26 | 117.64 | 2.994 | Aug. 26 | 112.14 | 3.570 |
| Aug. 25 | 117.50 | 3.000 | Aug. 24 | 112.14 | 3.570 |
| Year's | 117.70 | 2.986 | Year's | 114.97 | 3.367 |
| Range | 115.50 | 3.597 | Range | 106.57 | 4.097 |




### Bond Redemptions

| Bond Issues: | Rate | Year | Date | Price |
|---|---|---|---|---|
| Dom. Canners | 6% | 1940 | Oct. 1 | 110 |
| Mt. Royal T.&T. | 5% | 1970 | Oct. 15 | 105 |
| Ottawa L. & Pr. | •5% | 1957 | Oct. 1 | 104 |
| McC. Wilson Lumber | 6% | 1939 | Oct. 1 | 102 |
| Wood, A. & J. | †6% | 1944 | Oct. 2 | 103 |

For sinking fund: •$70,000; †$21,500.

| Stock Issues: | Rate | Stock | Date | Price |
|---|---|---|---|---|
| Ottawa L. & Pr. | 6½% | Pref. | Oct. 1 | 105 |
| Niag. W. Weav. | | Pref. | Oct. 1 | *60 |

*Plus 75c. per share representing accumulated dividends to the date of redemption.

**Religious Issues**

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.
Jesuit Fathers of Upper Can., 5%, Nov. 1, 100.
Hôpital Notre-Dame, 1941, 5½%, Oct. 1, 102.
Diocèse de Pembroke, 1930 à 1959, 5½%, Oct. 1, 102.
Soeurs St-Joseph de Toronto, 5½%, Oct. 1, 101.
Fabrique St-Jacques, Montreal, 1933 à 1942, 6%, Oct. 1, 101.
Diocèse de Toronto, 6%, Oct. 1, 102.
Loretto Ladies Colleges Schools, 5%, Oct. 1, 101.
Loretto Ladies Colleges Schools, 5%, Oct. 1, 101.
Institut Jeanne d'Arc, Ottawa, 5½%, Oct. 1, 101.
Fabrique St-Ambroise, Montréal, 5½%, Oct. 1, 101.
Soeurs St-Joseph de Toronto pour le Manitoba, 5½%, Nov. 1, 100.
Pères Jésuits du Haut Canada, 5%, Nov. 1, 100.
Collège de Lévis, 5%, Déc. 1, 100.
Hôpital de l'Enfant Jésus, Qué., 5½%, Feb. 1, 101.

## Municipal Finances

**Calgary,** Alta., financial affairs are to be investigated by the Alberta Public Utility Commission. H. M. E. Evans, Edmonton, has been appointed by the Investment Dealers' Association to represent bondholders at the enquiry. It is understood a meeting between civic officials and Mr. Evans will be held in the near future.

* * *

**Quebec City,** Que. has been forced to delay its public works programme due to lack of authority to borrow the necessary funds. The city's bill which would have authorized the expenditures was one of those which had not come up for consideration when the Taschereau government was dissolved. Recently application was made to the Quebec Municipal Commission but that body also decided it lacked authority.

* * *

**North Battleford,** Sask., reports increased revenue and lower expenditures for the 6 months ended June 30. Revenue for the period excluding taxes amounted to $42,959, an increase of $1,611 over the same period of 1935. General expenditures amounted to $92,326, a decrease of $2,918. The tax levy for 1936 is expected to yield $160,388 in comparison with $160,728 in 1935.

* * *

**Windsor,** Ont., has been notified by H. L. Cummings, deputy minister of municipal affairs, that his department considers a salary of $4,500 a year for the mayor, as fixed by the city council, excessive and under no circumstances justifiable. While the department does not propose to interfere this year, Mr. Cummings has served notice that his department will not approve a salary of above $3,500 for 1937.

* * *

**Saskatoon,** Sask., will submit its taxation problems, along with recommendations for broadening the basis of levying various imposts and other desirable changes in the present system, to the newly appointed provincial commission on taxation.

## Municipal Finance Assn. To Convene in Toronto

The annual conference of Municipal Finance Officers' Association of United States and Canada is to be held at the Royal York Hotel, Toronto, on Sept. 9, 10 and 11.

Included among the speakers are Thomas Bradshaw, president of North American Life Insurance Co., and H. L. Cummings, deputy minister of municipal affairs for Ontario.

G. A. Lascelles, executive secretary of the Toronto treasury department, is president of the association.

### Bond Tenders

**Sept. 8, Ste. Agathe des Monts—$15,000, 3½ or 4%, dated Aug. 1, 1936, redeemable serially Aug. 1, 1937, to Aug. 1, 1956.**

**Sept. 12, Kemptville, Ont.—$21,500, 4½%, 20-ins., due 1937-56, dated Oct. 15, 1936; $17,000, 4½%, 20-ins. R. J. Patterson, clerk. (See announcement on page 5).**

**8 p.m., Sept. 15, Drummondville, P.Q.—$86,000, 4%, dated Aug. 1, 1936, redeemable serially from Aug. 1, 1937, to Aug. 1, 1951; $77,000, 4%, redeemable serially from Aug. 1, 1937, to Aug. 1, 1966. Joseph Marier, sec.-treas.**

# Trade Indices Over Canada Mostly Bright

### Quebec is Only Area to Show Slackening of Business

### COAST BOOMING

Regional indices based on July statistics showed gains in each of the 5 economic areas except Quebec. Gains in the Maritimes and British Columbia were relatively great while moderate advances were shown in Ontario and the prairie provinces.

Electric output recorded gains in 3 areas, recession being shown in Quebec and Ontario. Industrial employment was greater in each of the economic areas except Quebec where the index receded from 98.4 to 96.1. Bank debits were specially great in British Columbia, declines being shown in the other economic areas.

A bright spot of the month was the gain in sales of ordinary life insurance, marked increases being shown after seasonal adjustment in each of the areas. While the index of wheat receipts declined in the prairie provinces, a marked gain was shown in prices, which helped to bolster the July figures.

### Maritimes

A steady advance has been shown in the index of the Maritime provinces since last December with the index now higher than at any time since February, 1932.

New business obtained by the construction industry was at a low level in July showing marked decline from the preceding month.

**Crops Very Satisfactory**

Due to satisfactory rainfall conditions the crops are much in advance of the Canadian average. The crop of apples from the Annapolis Valley was heavy except in orchards damaged by frost.

Highway construction was active during the summer, easing the employment situation.

### Quebec

Quebec business activity after maintaining a relatively high level during the early months of the year has recently shown recession. On the basis of 1926 equalling 100 the highest point for the year was reached in February at 129.4. The standing in July was reduced to 125.3. The levels of this year at their best were higher than at any time since June, 1930. Highlights in July included the new business obtained by the construction industry and the sales of life insurance. Records of several industries operating mainly in Quebec were of an encouraging character.

**Fall Prospects Fair**

Declines were shown in boot and shoe production but prospects for fall trade are said to be encouraging. Imports of raw cotton for further manufacture declined and mills are working on restricted schedule. Newsprint production reached a new high point in history, the gain over the preceding month having been one half per cent. Furniture factories are working to capacity; silk mills are beginning fall work in satisfactory volume; lumber is moving in good volume with markets firm; demand for pulpwood is active; paint and varnish makers are reported well employed. Tourist business is excellent.

### Ontario

Business activity in Ontario has shown an upward movement for the last 2 months with The Post index advancing from 112.1 to 112.3. Industrial employment generally was at a higher level at the first of August than at any other time since last October. Construction contracts awarded amounted to $11 millions in July, being greater than in any month for some years. The index moved up from 61.9 to 81.6. A slight gain was also shown in building permits but the level was only about one-third of the 1926 average. The decline in electric output and bank debits was greater than normal for the season. The adjusted gain in the sale of life insurance was 10.8%.

Principal cause of improved wholesale and retail business was the tourist traffic which broke previous records at many points. Furniture factories are quiet except makers of radio cabinets, chairs and office furniture. Tanners are well occupied and boot and shoe plants at or near capacity according to Bank of Montreal advices. Textile and paper plants are on full schedules with builder's supply firms reporting considerably improved trade.

### Prairies

For nearly a year the business index of the prairie provinces has shown very little change, the present figure being close to that of the latter part of 1930. A slight increase was again shown in July.

The July gain in electric output was outstanding, a 7.7% increase in average daily production being shown contrary to seasonal tendencies. The gain in industrial employment was greater than normal for the season.

Not since the naphtha possibilities of the south and of Turner Valley, neglected in the oil boom years, were demonstrated by the Mercury and Merland producers, have so extensive plans been made for development of the Southern Turner Valley structure extending south of present producers. Reason for renewed interest is the remarkable success achieved at Turner Valley Royalties well, located on the southwest flank, now producing between 860 and 900 barrels of crude oil daily.

### British Columbia

The recovery in B. C. in progress since the end of 1932 continued in July, the F. P. index moving up 2.6% to 118. The upward trend shown for nearly 4 years has been more consistent than in any other economic area of the Dominion.

New business obtained by the construction industry reached slightly lower levels in July than in the preceding months. Four other factors of fundamental importance participated in the advance. Electric output moved up 4.3% after seasonal adjustment; the adjusted gain in employment was up .5%. The gain in cheque payments rose 11% and the life insurance sales index moved up from 105 to 163.

**Prospects Bright**

It is anticipated the decline of fruit production will be compensated by higher prices. Contracts were let for road construction on Vancouver island affording considerable employment for men previously on the relief rolls.

Highway construction will not suffice to absorb the large and ever increasing surplus of laborers in the large cities.

### VILLAGE OF KEMPTVILLE, County of Grenville

By-Law No. 495—$21,500 4½% 20 instalment bonds—due 1937 to 1956; dated Oct. 15th, 1936.

By-Law No. 496—$17,000 4½% 20 instalment bonds—due 1937 to 1956; dated Oct. 15th, 1936.

Separate tenders for each By-law, also tender for combined issue.

Tenders to be in the office of the Clerk by Sept. 12th, 1936.

R. J. PATTERSON, Clerk.

# Canadian Business Trend Shown by Economic Areas

The trend of business for July in the 5 economic areas of Canada is shown as follows:

**Trend of Business in 5 Economic Areas**

| | July, 1936 | July, 1935 | June, 1936 | Inc. or Dec. July 1936-1935 per cent |
|---|---|---|---|---|
| **Maritimes:** | | | | |
| Construction contracts ... $ | 1,212,000 | 1,464,000 | 5,897,000 | —17.2 |
| Building permits ... $ | 181,000 | 124,000 | 238,000 | +46.0 |
| Life insurance sales ... $ 000 | 2,351 | 1,989 | 2,155 | +18.2 |
| Bank debits ... $ 000,000 | 54.1 | 51.5 | 61.6 | +5.0 |
| Electric power ... kw.h. 000 | 56,371 | 56,564 | 58,209 | —0.3 |
| Employment ... 1926 = 100 | 113.9 | 106.7 | 111.7 | +6.7 |
| Tonnage of vessels cleared from Halifax | 207,675 | 217,995 | 217,232 | —4.7 |
| Index | 117.1 | 108.0 | 115.2 | +8.4 |
| **Quebec:** | | | | |
| Construction contracts ... $ | 2,854,000 | 5,123,000 | 3,503,000 | —44.3 |
| Building permits ... $ | 1,324,000 | 689,000 | 1,094,000 | +92.2 |
| Life insurance saes ... $ 000 | 9,106 | 9,738 | 9,093 | —6.5 |
| Bank debits ... $ 000,000 | 856.8 | 739.5 | 920.0 | +15.9 |
| Electric power ... kw.h. 000 | 1,028,073 | 979,105 | 1,022,875 | +5.0 |
| Employment ... 1926 = 100 | 101.3 | 97.2 | 101.6 | +4.2 |
| Imports of raw cotton ... lb. | 5,818,214 | 9,912,771 | 7,415,651 | —41.3 |
| Newsprint production ... tons | 274,627 | 234,266 | 270,051 | +17.2 |
| Index | 125.3 | 120.7 | 127.6 | +3.8 |
| **Ontario:** | | | | |
| Construction contracts ... $ | 11,503,000 | 8,819,000 | 8,951,000 | +30.4 |
| Building permits ... $ | 2,245,000 | 1,610,000 | 2,304,000 | +39.4 |
| Life insurance sales ... $ 000 | 13,714 | 13,385 | 14,244 | +2.5 |
| Bank debits ... $ 000,000 | 1,222.8 | 1,118.4 | 1,423.6 | +9.3 |
| Electric power ... kw.h. 000 | 635,842 | 499,736 | 661,222 | +27.2 |
| Employment ... 1926 = 100 | 107.1 | 102.4 | 106.2 | +4.6 |
| Livestock slaughterings ... 1926 = 100 | 149.8 | 130.2 | 146.9 | +15.1 |
| Steel production ... tons | 68,793 | 86,101 | 82,196 | —20.1 |
| Automobile production ... No. | 10,475 | 13,069 | 16,400 | —19.8 |
| Index | 112.3 | 103.0 | 112.1 | +9.0 |
| **Prairie Provinces:** | | | | |
| Construction contracts ... $ | 1,778,000 | 2,454,000 | 1,772,000 | —28.4 |
| Building permits ... $ | 376,000 | 338,000 | 458,000 | +11.2 |
| Life insurance sales ... $ 000 | 4,535 | 4,454 | 4,139 | +1.8 |
| Bank debits ... $ 000,000 | 574 | 492 | 562 | +16.7 |
| Electric power ... kw.h. 000 | 116,304 | 102,789 | 110,291 | +13.1 |
| Employment ... 1926 = 100 | 103.9 | 98.7 | 101.9 | +5.3 |
| Wheat receipts ... bush. | 4,003,000 | 13,347,000 | 8,746,000 | —70.0 |
| Wheat prices ... $ per bush. | .935 | .813 | .795 | +15.0 |
| Index | 112.8 | 108.7 | 112.0 | +3.8 |
| **British Columbia:** | | | | |
| Construction contracts ... $ | 521,000 | 690,000 | 680,000 | —24.5 |
| Building permits ... $ | 476,000 | 1,505,000 | 488,000 | —68.4 |
| Life insurance sales ... $ 000 | 2,575 | 2,266 | 2,307 | +13.6 |
| Bank debits ... $ 000,000 | 185.5 | 143.7 | 168.2 | +29.1 |
| Electric power ... kw.h. 000 | 149,701 | 124,553 | 140,484 | +20.2 |
| Employment ... 1926 = 100 | 107.9 | 106.8 | 104.8 | +1.0 |
| Index | 118.0 | 107.6 | 115.0 | +9.7 |

# Payments To Investors $34 Millions In Sept.

Dividend declarations by Canadian corporations payable in the month of September are $2.2 millions higher than in the corresponding month of 1935, a compilation by The Financial Post reveals. Declarations for the month to date total $14.6 millions.

Bond interest, on the other hand, is $1 million lower than in September of last year, amounting to $19.8 millions, compared with $20.8 millions a year ago.

Dividend payments and declarations in 1936 to date are $25 millions ahead of last year, amounting to approximately $162.1 millions.

Lava Cap Mining Co. is paying an initial dividend of 2 cents a share.

Details of September dividend and bond interest payments follow:

**Summary of September Payments**

| | 1936 $ | 1935 $ |
|---|---|---|
| Dividends | 14,610,378 | 12,315,185 |
| Bond interest | 19,989,019 | 20,866,816 |
| Total | 34,599,397 | 33,182,001 |

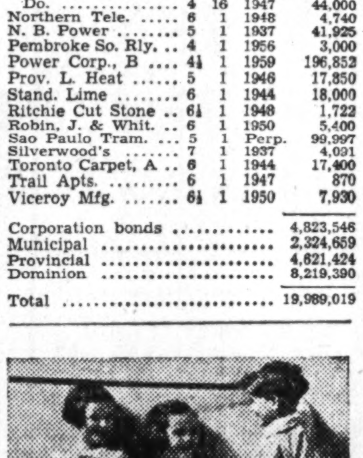
**Dividend Payments**

| Company: | Rate | Date | Amount |
|---|---|---|---|
| Agnew Surpass, c. | .20q | 1 | 15,904 |
| Do., bonus | .20 | 1 | 15,904 |
| Anglo-C. Tel., A | .12½q | 1 | 32,620 |
| Assoc. Brew., c. | .15q | 30 | 28,075 |
| Bk. Can. Nationale | 2q | 1 | 140,000 |
| Bank of Montreal | 2q | 1 | 720,000 |
| Bank of Toronto | 2.50q | 1 | 150,000 |
| Biltmore Hatts, pf. | 1.75q | 15 | 3,665 |
| Bonded Corp. | 10cm | 2 | 80,000 |
| Bright, T. G. | ‡.07½ | 15 | 7,500 |
| Do., pref. | 1.50q | 15 | 11,923 |
| Canada Malting | .37½q | 15 | 74,614 |
| Canada Vinegars | .30q | 1 | 27,600 |
| Can. Bk. of Commerce | 2q | 1 | 600,000 |
| Can. W. N. Gas, pf. | 1.50q | 1 | 44,929 |
| Confederation Life | 1q | 30 | 10,000 |
| Corr. P. Box, pf. | 1.75q | 1 | 13,710 |
| Dom. Scott. Inv., p. | .25q | 1 | 14,925 |
| Electrolux | .40q | 15 | 495,000 |
| Do., extra | .10 | 15 | 123,750 |
| Ham. Un. Theat., p. | 1q | 30 | 7,879 |
| Hightower Oil, c. | .05m | 1 | 8,800 |
| Do., pfd. | .05m | 1 | 15,000 |
| Hollinger Gold | .05 | 7 | 246,000 |
| Do., extra | .05 | 7 | 246,000 |
| Imp. Tobacco, ord. | .08½q | 30 | 826,965 |
| Do., pref. | 3%s | 30 | 240,900 |
| Inter. Mining | .15q | 21 | 60,008 |
| Inter. Nickel, c. | .35q | 30 | 5,104,408 |
| Lake Shore Mines | 1q | 15 | 2,000,000 |
| Lake of Woods M., pf. | 1.75q | 1 | 26,250 |
| Lava Cap Mining | †.02 | 30 | 50,000 |
| Laura Secord | .75q | 1 | 43,125 |
| Loblaw Grocet., A B | .25q | 1 | 207,657 |
| London Life | 2q | 30 | 10,000 |
| Louisiana Land | .10 | 15 | 300,000 |
| McColl-Fron., c. | .20q | 15 | 132,000 |
| McIntyre-Porc. | .50q | 1 | 399,000 |
| Montreal Cotton, pf. | 1.75q | 15 | 52,500 |
| Montreal Loan | .50q | 15 | 12,000 |
| New Method Ldry., p. | 1.62½q | 1 | 4,062 |
| N.S. L. & Pr., pf. | 1.50q | 1 | 25,500 |
| Ogilvie Flour, pf. | 1.75q | 1 | 35,000 |
| Ont. Silknit, pref. | 1.75q | 15 | 17,500 |
| Photo Engravers | .50s | 1 | 15,000 |
| Pickle Crow M. | .05 | 30 | 150,000 |
| Provincial Bank | 1.50q | 1 | 60,000 |
| Rolland Paper, pfd. | 1.50q | 1 | 22,500 |
| Reliance Grain, pf. | 1.62½q | 15 | 32,500 |
| Royal Bank | 2q | 1 | 700,000 |
| St. Law. Flour, c. bonus | 1 | 1 | 12,000 |
| Siscoe Gold | .05q | 15 | 230,503 |
| Sylvanite Gold | .05q | 30 | 164,975 |
| Union Gas | ‡.12½ | 15 | 88,273 |
| H. Walker-G. & W. | .50q | 15 | 330,000 |
| Do., pref. | .25q | 15 | 115,204 |
| Zimmerknit, pfd. | *3.50 | 1 | 8,750 |
| | | | 14,610,378 |

*On arrears.
‡Interim.
†Initial.
q-Quarterly.
s-Semi-annually.
m-Monthly.

**BOND INTEREST DUE IN SEPTEMBER**

| Company: | Rate | Date | Due | Amount |
|---|---|---|---|---|
| Adel. Shep. Bldg. | 5 | 15 | 1948 | 18,477 |
| Atlantic Util., A | 5 | 1 | 1963 | 12,500 |
| Bawlf Ter. Elev., A | 6½ | 1 | Serial | 4,225 |
| Bell Tele., A | 5 | 1 | 1955 | 750,000 |
| Brit. Amer. Oil | 4 | 1 | 1945 | 75,560 |
| B.C. Elec. deb. stk. | 4½ | 30 | Perp. | 287,355 |
| B. C. Power, A | 5½ | 1 | 1960 | 273,240 |
| Do., B | 5 | 1 | 1960 | 99,325 |
| Can. Bakeries | 6½ | 1 | 1945 | 21,118 |
| Can. Nat. Rly. | 4½ | 1 | 1951 | 1,125,000 |
| Can. N. Ont. deb. stk. | 3 | 31 | 1953 | 140,398 |
| Can. Pac. Rly. | 4½ | 1 | 1946 | 500,000 |
| Do., convert. | 6 | 15 | 1942 | 375,000 |
| Dom. Elec. Pr., A | 5½ | 1 | 1955 | 23,375 |
| Dom. Textile | 4½ | 1 | 1955 | 100,282 |
| Garment C. Capitol | 6½ | 1 | 1942 | 17,979 |
| Gt. West. Sadd. | 6 | 1 | 1948 | 14,355 |
| Gypsum, Lime, Ala. | 5½ | 1 | 1948 | 97,625 |
| Halifax & South'w | 3½ | 30 | 1942 | 77,823 |
| Hillcrest Coll. | 5 | 1 | 1940 | 8,125 |
| Hotel Victoria | 6 | 1 | 1949 | 7,362 |
| Inter. Power | 6½ | 1 | 1957 | 97,500 |
| Int. Pwr. gold deb | 6 | 1 | 1957 | 60,000 |
| Lindsay, C. W. | 6 | 1 | 1958 | 12,000 |
| Mersey Paper, A | 6 | 1 | 1949 | 140,145 |
| Montreal Coke | 3½ | 16 | Serial | 21,000 |
| Do. | 4 | 16 | 1947 | 44,000 |
| Northern Tele. | 6 | 1 | 1948 | 4,740 |
| N. B. Power | 5 | 1 | 1937 | 41,925 |
| Pembroke So. Rly. | 4 | 1 | 1956 | 3,000 |
| Power Corp., B | 4½ | 1 | 1959 | 196,852 |
| Prov. L. Heat | 5 | 1 | 1946 | 17,850 |
| Stand. Lime | 6 | 1 | 1944 | 18,000 |
| Ritchie Cut Stone | 6½ | 1 | 1948 | 1,722 |
| Robin, J. & Whit. | 6 | 1 | 1950 | 5,400 |
| Sao Paulo Tram. | 5 | 1 | Perp. | 99,997 |
| Silverwood's | 7 | 1 | 1937 | 4,091 |
| Toronto Carpet, A | 6 | 1 | 1944 | 17,400 |
| Trail Apts. | 6 | 1 | 1947 | 870 |
| Viceroy Mfg. | 6½ | 1 | 1950 | 7,930 |
| Corporation bonds | | | | 4,823,546 |
| Municipal | | | | 2,324,659 |
| Provincial | | | | 4,621,424 |
| Dominion | | | | 8,219,390 |
| Total | | | | 19,989,019 |

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## Bond Financing Small In August

### Government Financing Is Confined to Municipal Issues

In the absence of Dominion, provincial and important municipal issues, new government bond financing in Canada in August amounted to only $448,000, according to a compilation by Wood, Gundy & Co. Ten municipal issues make up this total.

Corporation financing was also small, consisting of $9.9 millions of refunding issues. Issues in this group were $4,250,000 of 4½% bonds of Great Lakes Power Co., $964,000 of the R. C. Diocese of London 4% bonds and $3,712,032 of St. John Drydock bonds.

Total bond financing for the first 8 months of the year amounts to $549.5 millions, compared with $305.8 millions in the same period of 1934. This is exclusive of treasury bill sales totalling $305 millions. Sales are summarized below:

| | 1936 $ | 1935 $ |
|---|---|---|
| Dominion of Canada | 183,000,000 | 136,000,000 |
| Provincials | 27,499,000 | 69,305,000 |
| Municipals | 29,252,760 | 25,682,274 |
| Public Utilities | 115,275,000 | 5,538,000 |
| Railway | 133,000,000 | 48,400,000 |
| Industrial | 61,496,424 | 20,888,600 |
| | 549,523,184 | 305,813,874 |

## Beaver Auto Products Offers Preferred Stock

Beaver Automotive Products Ltd., of Smiths Falls, Ont., is offering 10,000 cumulative, redeemable 6% preference shares, par value $10. Every 3 shares of preferred carries a bonus of one share of common stock.

Formed to acquire as a going concern the Beaver Piston Rings Ltd., of Smith's Falls, the company has an authorized capital of 20,000 preference shares, par value $10, and 20,000 common shares, no par value. The consideration given for the assets of Beaver Piston Rings Ltd., was 13,000 common shares of the new company. On completion of present financing the company will have outstanding 10,000 preference shares and 16,333 common shares.

While the principal products of the company will be piston rings and kindred products, it is the intention of the company to manufacture other lines of automotive products which may be found to be profitable.

In offering the issue it is stated the former company was inadequately capitalized from its inception, and has, as a result, been unable to secure the volume of business merited by the quality of its product. It was to correct this situation that the new company was formed.

No earnings statement of the previous company is given in the prospectus.


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# LOWER RATES on LONG-HAUL TELEPHONE CALLS

## Effective from September 1st

Again rates for long distance telephone service have been revised. Reductions on calls to points over 130 air-line miles distant became effective from September 1st.

This is the sixth long distance rate revision in the past seven years. It will mean substantial savings for users of the service.

And remember, low night rates on *both* Station-to-Station and Person-to-Person calls, now apply every evening after 7 o'clock, and all day Sunday.

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TORONTO, SEPTEMBER 5, 1936


## The Financial Post's Platform for Canada

*1. Balanced budgets, achieved through economies and not by new taxation.*

*2. A "pay-as-you-go" policy in public spending to peg public debts.*

## 2. An End to Borrowing

THE average Canadian home carries a public debt burden of $3,500. Each year the figure rises. The drag on production, occasioned by the grossly top-heavy debt load of our Dominion, provincial and local governments, constitutes a major national problem.

During years of "prosperity" we borrowed freely, counting on an expanding rate of national production to enable us to distribute the growing burden over a larger national income and a larger population, counting too on repaying our debts out of new wealth to be created in the future. We did not think enough of using the wealth we were then creating to pay our bills as they were incurred.

When depression came, we kept on borrowing—not only for new developments—but to pay the deficits that piled up when public revenues dropped acutely and public expenses declined but little.

If we have been able to avoid a precipitate crisis in public finance it has been because interest rates have been declining. The cost of carrying the expanding debt has not increased as rapidly as the total of the debt. But the interest bills and the ever-recurring maturities are beginning to come home to us. From now on the real burden of our debt will impose itself on our consciousness in increasing degree. Short-term borrowings, falling due, will present an acute problem in the next few years. And low interest rates will pass. We may have deferred acute trouble, except in isolated areas, but we cannot defer it for long. Sir Edward Beatty is no alarmist. He has said that our public debts have reached "a point of stress, if not of danger." A national policy of "pay-as-you-go," of meeting public bills as they are incurred, is urgently needed. In each governmental unit the crisis calls for a cessation of public borrowings and moreover, for a programme of repayment, out of income, of a large portion of the public debt we now have to carry.

If public debts are to be pegged at present levels as a preliminary to a programme of debt reduction, there must be no more new public borrowing without the most searching analysis into the ability of the newly-created debt to more than carry itself. The average man sees no harm in borrowing money for "productive" or "self-liquidating" public works. But the vast proportion of "self-liquidating" public works do not, in fact, produce an income sufficient to pay the interest on the money borrowed, much less to repay any of the debt. As an example, the Canadian National Railway's debt may be cited. The railway does not earn interest on one-tenth of the money invested in it, much less provide sinking funds to retire that debt.

It would have a salutary effect if for the next ten years new public works and improvements were charged to current income in the years of construction instead of being added to the deadweight of debt which few people ever think of as something that has to be repaid.

When money is borrowed the debt must ultimately be liquidated. There are only three ways of extinguishing public debt.

1. By paying it off out of tax revenues, derived from future production. What assurance is there that we can create in Canada in the future a national income sufficient to pay off our colossal public debts? What right have we to charge up our present extravagances to our children and grandchildren? Wise are the words of A. Neil McLean, Maritime businessman, who says: "Let today's production pay today's debts"; of Leighton McCarthy, Canada Life head, who says: "Let us learn to live within our income"; of scores of other business and financial leaders who emphasize the same sound, simple advice.

2. By confiscation, which can take the form of capital levies, of exaggerated surtaxes or of printing press inflation.

3. By repudiation, or disowning the debt.

Surely, the second and third choices are unthinkable in any country that is desirous of holding the respect of the world and maintaining its public credit unimpaired. As a remedy for debt, they are worse than the disease for they lead to utter chaos.

There is no practical way out of debt except to repay it. A dollar borrowed is a dollar owed and a dollar on which interest must be paid.

We are writhing now in the entangling meshes of the debt we have woven for ourselves. There is only one way to free ourselves: to stop public borrowing; to spend on government only those sums which can be obtained by reasonable taxation.

**This is the second of a series of editorials outlining The Financial Post's programme for Canada.**

## Epitaph on a Policeman

FOUR years ago a group of reputable businessmen and investors in Toronto organized the Corporation of Canadian Bondholders. At that time numerous companies were being put through the wringer of receivership and reorganization. In many cases scant attention was being paid to the interests of the senior securityholders. Reorganizations were engineered very largely by interests holding a controlling interest through ownership of common shares or in some other manner that reflected a much smaller cash stake in the enterprise than that put up by the bondholders.

The new corporation hoped that it could look after the interests of investors in such reorganizations and of course in many other ways. In Great Britain the Corporation of Foreign Bondholders has been, since 1873, unrelenting in fighting for investors in the public bonds of other countries.

After four years, the Canadian corporation is being wound up. Its failure was largely the product of the indifference of Canadian investors. A great deal of publicity was given to the organization of the institution and some money was spent on advertising and promotion. Investors were each asked to buy $10 worth of stock. The corporation fixed an initial capital of $10,000 as their goal but the directors were never able to raise that amount. They could easily have provided the entire sum themselves but felt that a broad base of investor support was essential. They have now undertaken to pay all the expenses and other investors are getting their subscriptions back in full.

In brief, investors were so indifferent that they would not put up a few thousand dollars to start an independent organization to look after their interests. Yet in the meantime millions of dollars have been taken from investors by reorganization schemes that were put through without adequate attention to the interests of bondholders.

## Government Printing

THE myriad reports and statistics issued daily by the federal and provincial governments—or at least some of them—are of inestimable value to the man interested in Canadian affairs. The usefulness of this material would be greatly increased were it to reach the public more speedily. There is, of course, a tremendous amount of straight editorial work in connection with assembling this material, which would make some delay inevitable. It would, however, be interesting to know how much time is lost after the material reaches the hands of the government printer.

Recently an example of this was provided in connection with the publication of the United States Federal Reserve Bulletin, issued monthly. Previously, this bulletin had not reached the public until well after the middle of the month, sometimes nearer the end of the month.

In August, however, the printing contract was taken away from the United States Government Printing Office, and was let to a private firm. The result was that the August Bulletin reached the public by August 6.

## As the Facts Emerge

UNLESS Canada's constitution, the British North America Act, is amended and modernized in the near future, we may expect many more appeals to the Privy Council for interpretation of the clauses dividing the jurisdiction of the Dominion and the provinces.

This fact lends a distinct Canadian interest to a recent Privy Council decision in an Australian constitutional case. What the case was about and what it decided are not of much importance in Canada. But what the Privy Council Committee said is of importance:

> "The question was one of construction, and in the ultimate resort must be determined on the actual words used, read not *in vacuo*, but as occurring in a single complex instrument, in which one part might throw light in another. The Constitution has been described as the Federal compact, and the construction must hold a balance between all its parts. It was true that a Constitution must not be construed in any narrow and pedantic sense. The words used were necessarily general, and their full import and true meaning could often only be appreciated when considered, as the years went on, in relation to the vicissitudes of fact which from time to time emerged. It was not that the meaning of the words changed, but the changing circumstances illustrated and illuminated the full import of that meaning."

There can be little doubt that if Canada's constitution is read "in relation to the vicissitudes of fact which from time to time emerge" there must be a tendency to strengthen the hands of the central government. There is a large host of business and economic problems which call for unity of legislation on a national scope and wherein provincial jurisdiction is costly and vexatious.

## The Motorist's Burden

IN 1934, the last year for which figures are available, $163.7 millions of motor licenses and gasoline taxes were diverted from highway uses in the United States, being an all-time record. Figures worked out show that the average U. S. motorist who consumed 600 gallons of gasoline last year, paid $113 for this commodity of which $81.30 went to the gasoline companies, and $31.74 was paid in the form of tax.

'Way back in 1920, this same 600 gallons of gasoline would have cost $179, of which only 54 cents would have been collected as gasoline tax, the remainder going direct to the gasoline companies. Worked out another way, the estimate is made that 28 per cent of the gasoline costs in 1935 was represented by taxes and that motorists last year paid one out of every eight tax dollars collected in the United States.

## Editorials in Brief

**Probably** the reason why Hon. David Croll, minister of public welfare of Ontario, refuses to be interviewed on his "quail farm" letter is that he is thoroughly ashamed of it and realizes that the less said about it the better.

• • •

**Current "straw votes"** show a Landon-ward trend. But the straw votes are taken chiefly among those who are able to read and write and who have some knowledge, however superficial, of public affairs. In November there will be thousands of people at the polls who will have difficulty even in forming a cross and who do not know the difference between the income tax and the Boulder Dam. Their votes will count then although they do not now show up in straw ballots.

• • •

**Putting this year's** crop at 240 million bushels, there is good prospect of our entire wheat surplus being liquidated during the present crop year. In fact, wheat exports on the same scale as those of the last crop year would reduce our wheat carryover to well below "normal."

However, had J. R. Murray, who has charge of the government's stabilization account, not been active in reducing the enormous surplus accumulated under the régime of John I. McFarland, we would have been facing another year of uncertainty and with a top-heavy carryover weighing heavily on the market price of wheat the new Canadian crop.

• • •

**The suggestion,** recently made before the Halifax meeting of the Canadian Bar Association, that the ancient legal doctrine "The King can do no wrong," should be modified, is one that must appeal to most citizens. The suggestion came from the Committee on Legal Reform, which presented a draft bill making the Crown liable for "any wrongful act done, or any neglect or default omitted by an officer of the Crown..."

Because medieval common law accepted the doctrine that the Sovereign, being the fountain head of all right, could not injure his subjects, it does not seem logical that a provincial commission, for example, engaged in some line of business, should be exempt from ordinary judicial processes.

It would still be within the power of parliaments and legislatures to legislate as they wished, even if their legislation was injurious and harmful to various persons.

## Post-Scripts

### Just Plain Stupid

A CANADIAN woman buyer, who might be bracketed with the "highly-paids," was down in New York looking over the market, says the current issue of Stylewear Review, and after a day's going about, decided that she must have a more comfortable pair of shoes, so she went into one of the swanky Fifth Avenue shops.

A smart young salesman sauntered up to her with offers of "assistance." She told him that she wanted a comfortable pair of shoes, something on the sandal order, she thought. The salesman looked at her appraisingly and then said: "We have nothing under $9 in this section, but in the basement they carry them from $4.50 to $7.50."

The Canadian thanked him and went into the next store and paid $16.50 for a pair. That's what happens when a salesperson is "price conscious" instead of "quality conscious."

## Sayings of the Week

"A good competitor has to think in terms of success, not in terms of failure." — *Walter Hagen.*

• • •

"This world can never be made right by force, never by fear, never by power." — *Stephen Leacock.*

• • •

"Mining may be less hazardous than working the upper six inches of the soil."—*Cyril T. Young, F.R.G.S.*

• • •

"I am used to speed, but the tempo of life in America leaves me dizzy. How do you Americans do it?"—*Kaye Don.*

• • •

"I think all Canada will agree that we have an ample supply of brokers at the present time." —*Hon. David Croll, Ontario Minister of Welfare.*

• • •

"I believe that the benefits of repeal are not complete because of high taxes on legitimate liquor. It still leaves room for the bootlegger." —*John D. Rockefeller, Jr.*

• • •

"France has never been more beloved by her sons than now. There have never been so many of them united as now."—*Edouard Herriot, Former Prime Minister of France.*

• • •

"To say that the entire depression was caused by the breakdown of the monetary system is to my mind like saying that measles are caused by a rash."—*James P. Warburg.*

• • •

"To everybody outside it the perplexity and unity of the British Empire is a mystery, but if they cannot understand it, most foreigners have learned to believe it."—*Lord Swinton.*

• • •

"The easiest thing in the world to do is to spend somebody else's money, and it must be very pleasant, judging from the number of people who vote for it."—*Carter Glass.*

• • •

"America is deliberately taking little or no interest in the vitally urgent business of taking the world by the scruff of the neck and making it behave itself."—*Herbert Morrison, British Labor M.P.*

• • •

"Since speculation cannot be eliminated the thing to do is to provide a proper place and proper condition for its expression, where it may be kept within reasonable bounds."—*Henry A. Wallace.*

• • •

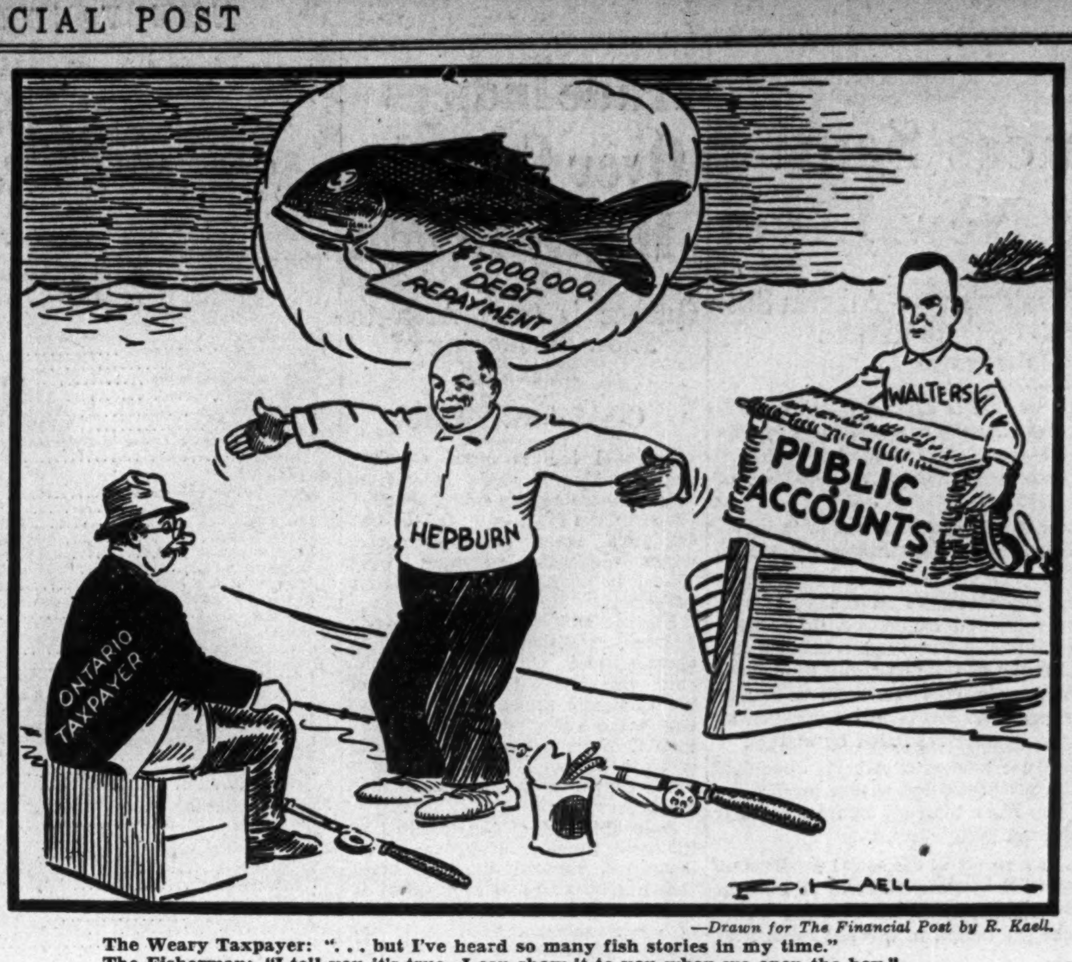
"There is probably no human factor which has caused persons to put forth their greatest efforts and a continually persistent struggle, equal to the desire to provide for old age."—*George Barton Cutten.*

• • •

"All lunatics in Britain have the right by statute to correspond with the lord chancellor. I am sorry to say a good many of them avail themselves of that right." — *Lord Hailsham, Lord Chancellor of England.*

• • •

"In 1787, the year the constitution was framed, it took 19 persons living on farms to produce enough for themselves and for one person in town. Today 19 persons on farms can produce enough for themselves and for 66 living in towns."—*Henry A. Wallace, U. S. Secretary of Agriculture.*




*—Drawn for The Financial Post by R. Kaell.*

**The Weary Taxpayer: "... but I've heard so many fish stories in my time."**
**The Fisherman: "I tell you it's true. I can show it to you when we open the box."**
**The W. T.: "The trouble is the box won't be opened for a year and a half!"**

## Our "Drift" in Relief

Ottawa Citizen

Charlotte Whitton, of Ottawa, director of the Canadian Welfare Council, attacks the policy of "drift" with respect to relief in an article in The Financial Post of Toronto. She warns against a sense of false security induced by the creation of a National Employment Commission and optimistic reports that "things are coming back."

Contrary to the hopeful picture of gradual recovery which official and unofficial sources have encouraged, Miss Whitton says that it is probable that "Canada is facing the worst winter she has ever known, particularly in Western Canada, and especially in the mounting volume of aimless, unestablished men—young men, thousands of them, vitiating in homes on relief, wandering the routes of transport, or haunting the streets and parks and missions of our great cities."

The welfare director says that on relief alone there are 350,000 able-bodied unemployed, which does not include the scores of thousands of able-bodied unemployed who, in some manner, contrive to keep themselves off relief. She says that at least 1,800,000 Canadians are living in "social dependency" at a direct cost to the rest of the 11,000,000 population of $200,000,000 annually.

It is far from a comforting situation which Miss Whitton presents. In a future article Miss Whitton will discuss possible ways out.

In the meantime, the facts recited ought to serve as a challenge to all classes of Canadians. What is to be done? Drift can only lead to disaster. But what sort of action should be applied?

Miss Whitton supplies the keynote that should dominate study of the problem when she says, "fundamental changes have taken place in Canada, and these have to be faced." Fundamental diseases, in other words, demand fundamental remedies.

London Advertiser

Despite improvements in many fields in business the great damage done to Canadian crops through the drought is bound to be reflected in employment figures, and there is every reason to expect that special measures will have to be taken this winter to deal with the problem.

It is reassuring to learn from the National Employment Commission that its drive against unemployment is progressing. Its latest statement says that the work has been divided into 2 parts, formulation of emergency measures to deal with seasonal unemployment during the next winter, and long-range plans for stimulating employment. Members of the commission have been visiting industrial centres in Canada, to familiarize themselves with local conditions. The provinces, which hitherto have been doing more in the administrative part of the work than the Dominion are co-operating heartily. Attempts are being made to secure co-operative community effort to aid in the solution of the problem.

Evidence that concrete measures are under consideration is presented in the statement that studies of the housing problem have shown that altering and improving existing structures present a favorable promise for early action in the struggle against unemployment.

In the current issue of The Financial Post, Miss Charlotte Whitton, O.B.E., has an article on "The Millstone of Relief," in which she makes the startling charge that Canadian policy toward relief and dependency during the past decade and a half might be expressed in the one word "drift." She points to the almost utter lack of planning on the part of the public bodies concerned.

On January 24, 1921, the Dominion Government by order-in-council authorized the appropriation of $500,000 to pay one-third of the emergency relief disbursed by municipalities. This established the precedent under which most relief contributions have been carried out ever since. The Dominion Government was careful to point out that unemployment relief is fundamentally a provincial and municipal matter, and that federal help could be extended only in case of emergency. But the same emergency existed in 11 of the next 15 years. From that time to the end of the present month public expenditures on unemployment relief in Canada have totalled approximately $600,000,000, of which the Dominion has paid about $215,000,000.

The establishment of the National Employment Commission marks the first attempt to abandon the old policy of drift. Miss Whitton makes no attempt to show that the task before the new body is an easy one. At least 350,000 able-bodied unemployed are on relief. How many are managing to eke out an existence for themselves is unknown. Profound changes in our capital plant have resulted from the tendency toward mechanization. There has been a dislocation of our classes of population, many have been on relief so long that they have lost their skill, or their desire to work. Seasonal unemployment and unemployment resulting from catastrophes of nature continue. More organization is required to co-ordinate the efforts of all those bodies aiming to aid the dependent.

Miss Whitton's article is valuable and should help to focus attention on the problems and achievements of the National Employment Commission and to line up organizations in every Canadian community to help along its magnificent work.

## Mr. Filene on the Job

New York Herald-Tribune

Mr. Frank Kent, writing in The Wall Street Journal last week, reported that the advisers of the President were considering the idea of trying to induce one or two outstanding businessmen to express publicly their confidence in the New Deal. "Soundings have been made," wrote Mr. Kent, "and the names of several gentlemen of the 'right type' are in the minds of the President's advisers—men who are waiting to be 'approached'."

On Friday evening what appeared to be the first fruits of this scheme were produced in the form of radio broadcasts by "two businessmen and two bankers." But it can hardly be said that the demonstration was very impressive. The two bankers and one of the two businessmen were—from a national standpoint at least—completely unknowns. The other businessman was — yes, you've guessed it — Edward A. Filene, Boston merchant and philanthropist, whose endorsements of the New Deal and all its works are already numerous enough and voluminous enough to fill a good-sized library.

Now, Mr. Filene has been a successful merchant and he is a public-spirited citizen. But he happens to be one of those men who are nationally known, above all else, for the vigor and variety of their "enthusiasms." And a glance through the newspaper files suggests why this is so. If we turn back to 1925 we find that he was quite as ardent an admirer then of "Coolidge economy" as he is today of Mr. Roosevelt's extravagance. Too many people, he thought, along with Mr. Coolidge, were buying too many things on installments.

Three years later he was an outstanding friend of the cause of prohibition, but this did not blind him to the view that the election of Alfred E. Smith "meant national prosperity." In 1931 he was convinced that, as a result of the growth of mass production, tariff protection was no longer necessary for this country, but by 1933 he had sharply revised his notions on this subject. In August of that year he came out for "higher tariffs and devaluation." (In the meantime he had temporarily become agitated about the Japanese war in China, and was urging a boycott of Japanese goods.) In 1933, he found that "intelligent selfishness" (meaning, presumably, the profit system), was the great hope of the country; but today, two years later, he is the outstanding apostle of two rapidly growing non-profit ideas—the credit union and the consumer co-operative. A year ago last June Mr. Filene sailed for Europe, leaving behind him the dire prediction that the invalidation of the N.R.A.—the heart of the New Deal recovery programme—meant "bad business during 1935 and 1936." Now, despite the fact that recovery did not really begin until N.R.A. had been scrapped, Mr. Filene tells us that he is for the New Deal "because he is a hard-headed businessman."

Consistency may not be a jewel; it may, as Emerson has told us, be simply "the hobgoblin of little minds." On the other hand, the average newspaper reader or the average radio listener can hardly be expected to be greatly awed by the political advice of even a successful businessman if the latter makes it a habit to change his own views every few months on such fundamental questions as the tariff, economy and the profit system.

## Life Insurance at Work

In May, 1923, the vice-president of a prominent manufacturing firm in Toronto died of carbon monoxide poisoning. Included in the estate he left for the support of his wife and chidren was life insurance providing:

(1) $4,000 as a lump sum in cash to pay expenses of last illness, outstanding accounts, etc.

(2) An income of $100 a month payable for the lifetime of his widow.

The income provision was made through the medium of a continuous monthly income policy. Under its terms the widow is assured that no matter how long she may live she will receive at least $100 a month.

While the guaranteed income payments to date have totalled $15,000, actually she has received in excess of $22,000. The guarantee of $100 a month is the payment to her of income payments based on a 3% interest rate. In practice, the company which issued the policy paid for many years over 4% and these extra interest earnings have increased the income payments considerably above the guarantee. In this instance the beneficiary received her 160th monthly income cheque in August, 1936, and until a reduction of the interest rate from 4.4% to 4% was made at the first of this year, every one of the 160 cheques, with the exception of the first one was for $123 or more. The cheques this year have been $116.

In the years following the death of the assured under this policy the business with which the insured was connected met with very indifferent success, suffered serious impairment of capital and was finally sold out by the bailiff. Had his estate been composed only of shares in the business, his widow's income from stock dividends would have been very uncertain and finally would have been wiped out altogether.

But due to his foresight in providing an adequate insurance estate outside of his business, his widow is now able to carry on comfortably, assured of a definite income from the proceeds of his life insurance for the remaining years of her life.

### Certain Income

While she has been receiving income payments for over 12 years, her income is as certain today as it was immediately after her husband's death.

She is now only 45 years of age, with the probability of many years of life before her. Even should she die before receiving the income for 20 years there is a provision in the policy stating that it will be continued to the balance of the period.

## Russian Poker

From Raymond Moley's Today

Stalin & Co., the world's largest business under one management, is making progress. Despite the continuous and colossal expansion of its plant, its cash reserves are steadily mounting. A few years ago, this concern was sacrificing its products at cut prices in order to get quick cash to pay for plant equipment. Now it does not have to do so, and will not. It used to beg for credit and pay exorbitant interest. Now it demands the kind of terms ordinarily extended to the big customer who never has failed to meet a bill when due and often has anticipated due dates. It used to buy wherever it could get accommodation; now it is in position to shop for quality and for preferred treatment.

That, in plain business language, is the real meaning of the recent statement by the Soviet Commissar for Foreign Trade which some newspapers, with mistaken sensationalism, took to mean that the Soviet government intended to shut off all imports forthwith. The Soviet government will do nothing of the sort. The statement was only a familiar manoeuvre in the old, old Russian game which we call poker. It won a pot, too, for a few days later the British government announced that it would underwrite $50 millions of ten-year credits for Soviet goods to be bought within 12 months in Great Britain—and at 5½%. Commissar Rosengolz has said, "We used to have to pay 8%; now we will not agree to 6."

### Talking to the World

The Commissar was not talking exclusively for the benefit of the British poker players across the table, however. He was hinting broadly, to the world at large, that such business as the Soviets did abroad would probably be thrown where it would help make new friendships or strengthen old ones. That was a slap in the face for Germany—whose eager offer of credits the Soviets condescended to accept, on paper, but which they are not actually using—and it was an open bid for overtures from such powers as would like closer relations. Soviet Russia has come a long way indeed since the days when it had to beg for favors.

The Soviet gold reserve is now guessed to be close to a billion dollars. If this be true, it is the fourth largest hoard in the world. Russia has become second only to South Africa as a gold producer, and according to the last reports was turning out $150,000,000 worth a year, a figure which is probably too conservative. Here lies the cause of the Commissar's new frame of mind. There is no need to dump goods to get foreign exchange when you can dig it out of the ground at that rate. There is no need to beg humbly for credit when you have a billion dollars' worth of gold in the vault. It may well be, as Commissar Rosengolz said, that the U. S. S. R. plans to conserve this hoard as a war reserve. The state of the world's nerves fully justifies such a nest egg. But a man with cash in the bank does not have to spend it; he gets credit just because it is known that he has cash in the bank.

### Long-term Policy

Commissar Rosengolz's statement was a subtle blend, not of truth and falsehood but of truth and bluff. As an exposition of Soviet Russia's long-term policy, it was the truth. Soviet Russia does, indeed, aim at self-sufficiency and a minimum of imports. In case of war, she is an island of Communism in a capitalistic ocean; she must be able to supply all the needs of her civilian population and her armies in the field if her frontiers are closed and her shipping swept from the sea. If she is to produce all her necessities in wartime, she must do so in peacetime too. But there is not a scrap of evidence that she yearns for the kind of autarchy in which the Nazis believe with the fervor of a mystic cult. Responsible Soviet representatives say that, as far ahead as they can see, Russia will want the constantly improving production of tools of nations industrially more advanced than she, and when the grim struggle to provide necessities is won, will want foreign luxuries as well.

That is the long-term view. The phrasing which allowed us to infer that Russian self-sufficiency would be tested at once was pure bluff.

It is easy to see that since the Soviet state owns and operates Russia as a unified business enterprise, the political implications of its improving economic position are tremendous. Time was, and not so long ago, when even a hint that the Soviets were solvent would have been denounced as Red propaganda. Such a frame of mind was, of course, not only silly but dangerous.

If there is a Red menace, we shall do well to know just what and how great it is.

Russia is worth watching.

## In the Mail

(Not over 200 words, please)

### Kitchener Uses Scrip

In last week's issue you carried an article stating that Ottawa was going on a scrip basis for relief. The Ottawa system is being patterned after the Kitchener method which was adopted in November, 1933.

Scrip in Kitchener is issued in 1c, 5c., 10c., 25c., $1 and $2 denominations which are redeemable at the end of each month at three per cent discount in favor of the city.

This method of financing relief has been found quite satisfactory in the City of Kitchener and has been approved of by the Minister of Welfare, Hon. D. A. Croll.

J. A. SMITH,
Mayor,
Kitchener.

### Farm Act Robs Town

Editor, The Financial Post:

I am enclosing renewal for another year. The Financial Post does not mean nearly as much to me as it formerly did. All our better publications, both weekly and daily, represent St. James Street far too much, at the expense of the taxpayer who is apparently left without friends.

You plead very strongly for sacred contracts. Have you any place for justice? Sacredness can never supersede justice. Our little town loaned about $500,000 in farm mortgage privately. Then we sold $300,000 of debentures for improvements. Farm revenues have dried up. The Government, backed by the press, has set up a Farm Board Adjustment Act. This act has robbed our town of enough funds to pay our indebtedness.

W. J. CUNNINGHAM,
Alliston, Ont.

## Other People's Views

### Anti-Semitism in Reich

Manchester Guardian

The more conspicuous and easily removable anti-Semitic displays, posters, and signs have been removed so that visitors to the Olympic Games and the competitors shall not get an unfavorable impression of Germany. The government's interest in the games is very great, partly because they are an advertisement for the "New Germany" (and can also be used as propaganda to impress the German public with the apparent friendliness of the outside world to that "New Germany"), but chiefly because they will bring foreign exchange into the country.

## Stop Me If You've Heard This One ..

A tailor was sending an order by mail for two of those small ironing boards termed "gooses."

He wrote: "Please send me two tailor's gooses."

It didn't look right so he rewrote it: "Please send me two geese."

Reading it over, he decided that it was worse than the first so he finally wrote:

"Please send me one tailor's goose."

P.S. "Send another one just like it."

Week in Business

# Business Improvement Lacking in Uniformity

## Durable Goods Make Largest Contribution to Business Activity — Hold Out Best Hope for Future — U. S. Election Prospects

Latest reports on business conditions in various parts of Canada indicate some improvement in all areas except Quebec. The Financial Post monthly indicators of business in the 5 economic areas reveal British Columbia as making the most striking gains during the late summer, with Quebec the only area to show less activity than at this time last year.

Employment figures from Ottawa this week covering conditions as at Aug. 1 confirm this trend. They show employment to have made a more-than-seasonal gain for Canada as a whole, with the situation more favorable than at any time since 1930. Chief declines were in logging and retail trade where losses were largely seasonal. Major gains in manufacturing industries were seen in food, lumber, pulp and paper, rubber, tobacco, beverage, electric current and non-ferrous metal industries.

* * * *

### Durable Goods Recover

Looking back at employment gains this year, The Bank of Nova Scotia in its current review letter shows this improvement to have been relatively greater in industries making durable goods than in those manufacturing for consumers. Thus the bank estimates the employed working force in plants in Canada making durable goods was on the average 11.5% greater in the first half of the year than in the same period in 1935, while employment in consumer industries expanded by 6.3%. Similarly the employed working force in "service industries" expanded about 4%, the bank estimating an average of 929,000 people occupied in these trades in the first half of 1936 compared with 893,000 in the same period of 1935.

The bank expresses the view that "on balance there has been no appreciable advance in manufacturing activity in Canada since last fall," and that the progress of recovery has been sluggish. To the continued low level of construction activity as well as recent lack of improvement in manufacturing it attributes most of this "pause in the course of revival." Major factors in what recovery has taken place have been expanding foreign trade and a very substantial improvement in tourist trade.

* * * *

### Election and Business

Nearly every business conversation these days is tempered by the thought of the U. S. presidential election. Opinions expressed are qualified as to whether Roosevelt or Landon be elected, and the consequences to general business of either possibility.

Col. Ayres, of Cleveland, expects business indices to continue to make a favorable showing for the rest of the year in spite of the political campaigns. He also predicts business will be good next year no matter who obtains a new 4-year lease on the White House.

"I don't think you will be able to see the election when the statistical charts for the next few months are completed," he told Bernard Kilgore, of Wall Street Journal, the other day.

Other interesting views are that he expects a short-lived market celebration if Landon is elected; that Landon's election may encourage more long-range planning and capital expenditures in certain industries, notably utilities; that even the drought will not slow down national recovery this autumn. He also believes the U. S. is experiencing the kind of recovery that can maintain itself when, as and if the chief artificial element—government spending—is removed. Accumulated shortage of durable goods will provide the motive force of continued recovery, he thinks, and thus private spending can replace and surpass governmental outlays.

## Changes of the Week

### Favorable

Carloadings continue sharply ahead of corresponding figures in previous years due in large measure to the early marketing of grain in Western Canada. This exceptionally quick marketing due to high prices will probably mean a sharp falling off in later weeks due to the short total crop, but meanwhile it has put current loading figures nearly 20% above corresponding totals for 1935. Another bright spot for the week ended Aug. 22 was the sharp increase in coal loadings in Eastern Canada.

Employment figures as at Aug. 1 continued to show improvement, the gain as at Aug. 1 being more than customary at this time of year.

### Unfavorable

Construction contracts awarded in August showed further decline from corresponding figures for last year. The cumulative total for the first 8 months of the year is now below the same total for last year.

### Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

| | WEEKLY DATA — Latest — 1936 | 1935 | Cumulative Total — Jan. 1 to date — 1936 | 1935 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Aug. 22) | ▲51,468 | 43,847 | 1,502,455 | 1,458,511 |
| C.N.R. gross earn. (Aug. 21) | $ 3,555,412 | $ 3,139,888 | $ 111,035,965 | $ 104,279,127 |
| C.P.R. gross earn. (Aug. 21) | $ 2,602,000 | $ 2,388,000 | $ 81,017,000 | $ 74,722,000 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (Aug. 22) | ▲114.9 | 102.0 | ...... | ...... |
| **MONTHLY DATA** | 1936 | 1935 | 1936 | 1935 |
| **Business Conditions—** | | | | |
| Financial Post index (July) | ▲110.7 | 102.8 | ...... | ...... |
| **Transportation—** | | | | |
| C.P.R. net revenue (July) | $ ▲979,099 | $ 1,526,181 | $ 7,770,099 | $ 7,588,200 |
| C.N.R. net revenue (July) | $ ▲87,203 | $ 1,106,120 | $ 2,562,244 | $ 3,273,658 |
| **Iron and Steel (July)—** | | | | |
| Pig iron production (tons) | 34,988 | 50,513 | 375,323 | 310,290 |
| Steel ingots and castings prod. (tons) | ▲68,793 | 85,101 | 647,493 | 474,264 |
| **Automobiles (Number)—** | | | | |
| Passenger Car: | | | | |
| Domestic sales* (July) | ▲6,592 | 6,265 | 68,279 | 63,301 |
| Factory output (July) | ▲8,192 | 9,471 | 94,556 | 99,861 |
| Trucks and Buses: | | | | |
| Domestic sales* (July) | 1,646 | 1,119 | 14,802 | 12,229 |
| Factory output (July) | ▲2,283 | 3,598 | 21,867 | 24,533 |
| Exports (July) | ▲4,015 | 5,105 | 34,090 | 42,320 |
| **Construction—** | | | | |
| Building permits (July) | $ 4,602,897 | $ 4,396,402 | $ 22,103,317 | $ 29,036,913 |
| Contracts awarded (Aug.) | $ ▲15,536,100 | $ 17,868,500 | $ 111,113,100 | $ 112,012,200 |
| **Newsprint (tons)—** | | | | |
| Production (July) | 274,627 | 234,266 | 1,763,890 | 1,519,149 |
| Exports, tons (July) | 234,049 | 219,461 | 1,594,342 | 1,383,009 |
| **Sugar (lb.)** | | | | |
| Melting & sales‡ (raw) | ▲96,510,000 | 99,797,793 | 498,130,110 | 482,070,853 |
| Manufactured‡ | ▲93,841,054 | 95,073,668 | 480,920,602 | 479,441,404 |
| **Flour (bbls.)—** | | | | |
| Production (June) | 1,148,810 | 991,559 | 6,527,359 | 6,134,108 |
| Wheat flour exports (July) | ▲444,905 | 395,232 | 2,736,077 | 2,638,177 |
| **Trade—** | | | | |
| Retail trade (index no. of sales) (June) | 74.1 | 70.8 | ...... | ...... |
| Imports (July) | $ 53,675,774 | $ 48,414,397 | $ 351,756,357 | $ 308,786,790 |
| Exports (July) | $ 34,968,882 | $ 64,832,838 | $ 506,117,026 | $ 414,865,711 |
| Wheat exports (bush.) (July) | 25,912,508 | 9,158,035 | 120,500,094 | 54,163,156 |
| **Employment, D.B.S. Index (Aug. 1)—** | | | | |
| All industries | ▲105.6 | 101.1 | ...... | ...... |
| Manufacturing | ▲104.9 | 99.8 | ...... | ...... |
| **Electric Power Output (July)—** | | | | |
| Total monthly (000's omitted) | 2,020,855 | 1,791,543 | 14,460,934 | 13,171,637 |
| **Other Industrial Indices—** | | | | |
| Lumbering: | | | | |
| Plank & board exports M. bd. ft. (July) | 153,897 | 101,926 | 806,482 | 689,091 |
| Boot & shoe prod., pr. (June) | 1,721,182 | 1,756,304 | 11,042,084 | 10,664,240 |
| Crude petrol. imp. gal. (July) | 121,335,556 | 133,659,600 | 598,735,080 | 594,279,167 |
| Cotton imports, lb. (July) | 5,818,214 | 9,912,771 | 75,436,770 | 60,964,650 |
| Raw rubber imp., lb. (July) | ▲6,094,621 | 2,954,800 | 29,706,049 | 32,894,667 |
| Coal imports, tons (July) | ▲1,416,455 | 1,430,483 | 6,445,735 | 6,574,158 |
| **Finance—** | | | | |
| Bank debits (July)† | $ ▲2,893,658 | $ 2,545,102 | $ 20,140,510 | $ 17,761,238 |
| Bond sales (July) | $ 68,385,553 | $ 63,195,141 | $ 804,760,649 | $ 335,019,582 |
| Life insurance sales (July) | $ 32,573,000 | $ 32,155,000 | $ 220,233,000 | $ 213,710,000 |
| **Automobile Financing (July)—** | | | | |
| Used cars | $ 2,656,701 | $ 2,109,499 | $ 16,206,076 | $ 11,582,085 |
| New cars | $ 3,096,442 | $ 2,531,943 | $ 20,455,589 | $ 15,664,529 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to August 8.

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**NEW APPOINTMENT**

L. A. Peto, formerly vice-president, comptroller and treasurer of Canadian Car and Foundry Co. Ltd., who has been appointed vice-president and general manager of the company.

# Canadian Car War Claim Up

## Expects Decision Next Month in Case Against Germany for Sabotage

From Our Own Correspondent

MONTREAL.—Canadian Car and Foundry's claim for compensation resulting from the alleged sabotage of its Kingsland plant in the United States by German war-time agents will be settled one way or the other in the course of the next 3 or 4 weeks.

The German-American Mixed Claims Commission, which adjourned its meeting last June in order to allow representatives to travel to Germany to discuss matters looking toward an agreement on the war claims, will reconvene September 17.

At that time the Commission will consider the results and agreements tentatively arrived at in Germany and it is expected the long-drawn out enquiry will reach a permanent conclusion.

During the war, Canadian Car operated a munitions plant at Kingsland, N.J. This unit was destroyed by explosion in 1917, allegedly by German agents. After the war, a claim of $11 millions was entered against Germany by the company before the Mixed Claims Commission at Washington. At one time a settlement was reached for $6.5 millions, but before a decision could be given, the judge then presiding died and a new trial was ordered. The claim was dismissed in November, 1930, but due to the finding of additional evidence was reopened.

For more than 12 years, representatives of the company have been working on this case. An adverse decision has been rendered on more than one occasion, but in each instance additional evidence was secured, resulting in reopening the claim.

At this time officials are hopeful the Commission will make an award in favor of the company. Just how much will be given is, of course, a matter of guesswork. In any event, the expense in connection with the case will be so great that the net amount received by Canadian Car will be considerably less than originally claimed.

## Production of Cement Mooted for Nova Scotia

From Our Own Correspondent

SYDNEY, N.S.—Vancouver interests are reported to be investigating feasibility of establishing in Nova Scotia a plant for the manufacture of cement, according to an enquiry received by the Halifax Board of Trade.

### Commodity Prices

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $6.00 | $6.00 | $7.00 |
| Hogs | 9.60 | 9.90 | 10.00 |
| Copper, lb. | .09¾ | .09¾ | .08½ |
| Cotton, lb. | .1170 | .1196 | .1065 |
| Rubber, lb. | .1631 | .1612 | .1179 |
| Sugar, raw, lb. | .0370 | .0370 | .0345 |
| Silk, lb. | 1.67 | 1.71 | 1.90 |
| Wheat (Man.) bus. | .96⅛ | .97½ | .81¾ |
| Coffee, lb. | .08¼ | .08½ | .06⅜ |
| Hides | .11½ | .11 | .10¾ |
| **Weekly Indices** | | | |
| N. Y. Annalist | 127.3 | 129.0 | 126.3 |
| Fishers' | 83.8 | 84.1 | 84.6 |
| N. Y. Journal of Comm. | 81.2 | 82.8 | 79.8 |
| Crumps (Brit.) | 70.6 | 70.4 | 64.4 |
| U. S. Labor | 80.1 | 80.3 | 80.1 |
| Canada (D.B.S.) | 76.1 | 76.1 | 71.8 |

**Monthly Indices**

| Canada (D.B.S.) | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Retail (July) | 80.5 | 80.2 | 78.8 |
| W'sale (July) | 74.4 | 72.3 | 71.3 |
| U. S. Labor (June) | 79.2 | 78.6 | 79.8 |
| Gt. Brit. (June) | 81.1 | 80.5 | 77.5 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

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Background of Business

# Radio Looks Ahead To Increased Sales

## New Models on Market a Month Earlier Than Last Year — Hotel Prices May Be Boosted

With 1937 radio models on the market a month earlier than last year, Canadian manufacturers look forward to considerable improvement in sales during the fall and winter season, The Financial Post is informed. Early response to the new machines which have been available now for several weeks, has been favorable and up to expectations. Sales are said to be considerably better than prior to introduction of the new offerings.

Radio manufacturers have been gradually smoothing out their production peak and shifting the announcement of new models earlier into the year. Last year most new models appeared around Sept. 1, this year showings have been almost a full month earlier. This has been a strong factor in aiding sales.

Changes from 1936 styles have not been radical. Important refinements in tone and quality of reproduction are claimed, with all but 2 leading makers laying stress on metal tubes, first introduced about a year ago. Cabinets are more massive than formerly, with public taste moving slowly toward better quality machines and away from the cheaper "mantel-type" sets popular during the depression.

Prices are reported the same or a little higher than last year, the increase in sales tax reported as having offset any price cuts due to the lower tariff brought about by the Canada-U. S. trade pact. Auto radio sales continue popular, the Canadian trade having as yet found nothing disastrous by way of importations under the $100 exemption clause. Inventories and carryover stocks from 1936 models are said to be low.

* * *

### Strikes and Lockouts

Strikes and lockouts in Canada during July, 1936, involved 3,776 employees with a time loss of 44,342 working days, according to the current issue of Labour Gazette. These figures, sharply higher than totals for the previous month, are considerably less than corresponding figures a year ago.

In all, only 7 disputes of importance were under negotiation in July as compared with 14 the previous month; but 2 of these involved large numbers of employees, namely that of salmon fishermen on the B. C. coast and men's clothing factory workers at Winnipeg. A strike of salmon fishermen at River's Inlet involved 2,500 men while the clothing workers at Winnipeg numbered 950.

* * *

### Farm Lands in Demand

An improved demand for farmlands throughout the remainder of 1936 and 1937 is anticipated in U. S. because of the drought, says the New York Journal of Commerce. The higher prices for farm products caused by the drought are expected to stimulate an immediate demand for land. In fact, "real estate officials report that enquiries for farm acreage already show a substantial increase over the volume received earlier in the year.

"Most of the large surpluses of farm products will be completely eliminated during the current season. Thus, farmers should obtain fair prices for their crops during the next 2 years even though average yields are harvested. This prospect encourages a sustained interest in farm ownership especially among tenants in contrast with the speculative demand created by current high prices which may prove a temporary phenomenon.

* * *

### Hotel Prices to Rise?

A move is under way to stabilize rates and promote recovery in the hotel industry in Canada, according to Canadian Hotel Review and Restaurant.

P. D. Norton, manager, Norton-Palmer Hotel, Windsor, has been appointed chairman of a committee to consult prominent hotelmen in the East on this matter. Mr. Norton is quoted as saying: "We intend to have a meeting of the principal hotelmen shortly to discuss this plan as to the stabilization of rates, food costs and beverage costs, and also definite plans in the operation of hotels. The committee does not feel we are to raise our rates, food prices or beverage prices to an exorbitant amount, but the plan is to obtain a reasonable price so as to pay salaries and operating costs at the present time. We see no obstacle in rate stabilization in Ontario now as our plan will be feasible and workable for all hotels."

Western hotelmen interviewed inclined to the view that the railway hotels "offering luxurious appointments at low rates" had demoralized prices in Western Canada." Quebec operators interviewed told many difficulties in the way of stabilization because of the short season and rooming house competition.

* * *

### Model Truck Law

Federal Government officials are working on a model vehicle act which, when completed, will be submitted to the provinces with the recommendation that they adopt it, according to Bus and Truck Transport. Such an act, it is pointed out, would go a long way toward unifying provincial laws in the matter of transport.

Other factors pointing toward greater stability in this industry are the proposed formation of a Dominion-wide transport association with headquarters at Ottawa to bring in principal provincial associations now operating. Another important suggestion is that made recently at the annual meeting of the Automotive Transport Association of Ontario for the appointment of a committee composed of transport men, shippers and possibly Government officials to study rate problems in that province.

* * *

### Paint Brushes Higher

The price of paint and varnish brushes has been increased, the greatest percentage advance being in the long bristle brushes, with little change in the cheaper grades. The cause of this advance, effective Aug. 15, is the shortage which has developed over a period of months, in the supply of long bristles, according to manufacturers.

With the supply of Russian bristles very limited, the demand has been very great for bristles from China, and the cost of better grade bristles has been steadily mounting, says Hardware and Metal, Toronto.

The new brush prices range from 5% to 25% higher than former quotations.

* * *

### Lower Motor Fees

A reduction in automobile license fees in Ontario is being planned according to press reports.

The governments fiscal year ends in March and a definite decision awaits final results for the provincial fiscal year. A reduction is said to be planned with the forthcoming provincial election in mind as there has been considerable objection on the part of opposition members to the heavy tolls collected.

Official figures published recently from Ottawa show, in 1935, Ontario collected $9.4 millions by way of licenses, registration fees, etc., as compared with $8.3 millions the previous year. In the same year the province collected $15 millions in gasoline tax compared with $13.8 millions in 1934. The Ontario revenue is almost 45% of the total collected in all Canada.

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# C.N. Expenses Swallow Gain In Revenues

## Operating Costs of National Road Up Over 1935

### C. P. R. $181,899 LESS

From Our Own Correspondent

MONTREAL. — For every additional dollar of revenue received from railway operations during the first 7 months of 1936, the Canadian National and Canadian Pacific Railways collectively spent $1.04. As a result the combined net operating profit for the period was less than reported for the same 7 months a year ago.

This situation is wholly due to the Canadian National as the Canadian Pacific not only improved its gross, but also increased its net revenue. One major reason for rising railway expenses is partial restoration of former wage reductions to operating staffs.

From January to July this year the 2 lines had a gross operating income of nearly $174.4 millions, as against $162.6 millions last year. The C.N.R. accounted for $100.7 millions, a gain of $5.7 millions over 1935, while the Canadian Pacific increased its revenue by $5.9 millions to $73.6 millions this year.

**C.N.R. Cause of Showing**

On the matter of operating expenses, however, the nationally-owned railway did not do so well, there being an increase of over $6.4 millions this year, or $711,414 more than was taken in. The Canadian Pacific on the other hand recorded an increase of about $5.8 millions in expenses, or $181,899 less than reported a year ago.

The adverse showing of the Canadian National is wholly due to operating experience in July. In that month expenses jumped over $1.4 million while gross income was up only $425,163, resulting in an adverse balance of better than $1 million which was sufficient to wipe out the accumulated increase in net revenue reported in the first half of the year.

## Canada Northern Power Operations Record Gain

From Our Own Correspondent

MONTREAL. — Canada Northern Power, controlled by Power Corporation of Canada, reports an output in July of 49.1 million kw.h. This is in contrast to 48.3 million kw.h. for the same month a year ago.

The number of customers now connected with the company's system totals 16,351, against 15,018 at the end of July last year.

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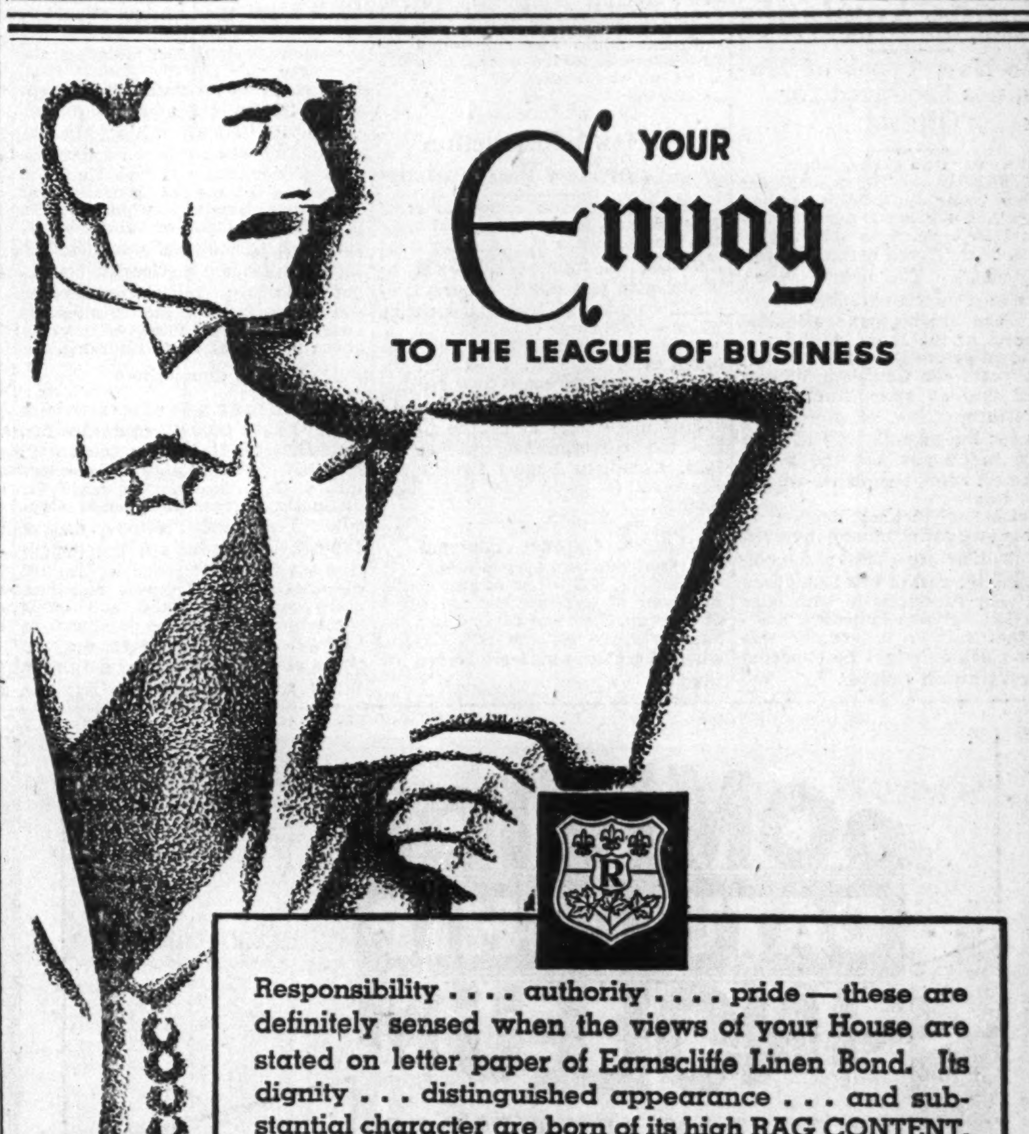


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# In The Construction World

### *Modernization to Fore*

UNDER pressure, house construction can be carried on all through the winter in this country. But the natural time to build new homes is in the spring and summer. Particularly is this true of such homes as are being financed under the Dominion Housing Act. This legislation was designed primarily to stimulate the private individual rather than the landlord type of builder. But, during the winter months the private individual largely confines his home building to plans on paper only.

This being so it is natural to speculate on the use that the Dominion authorities propose for that large portion of the $10 millions allocated to the D. H. A. that still remains unspent. It seems extremely doubtful if the recent increase in building under the Act can be maintained after the present month. Consideration in such an event might well be given to home modernization plans of the National Employment Commission.

While outdoor construction will naturally decrease with the approach of winter, there need be no check on activity indoors. Indeed the interior of the average home assumes increasing importance with the closing of summer cottages and the return of the family from the great outdoors. It is a time for decisions on decorating, installation of new plumbing, lighting, heating and other expenditures that come under the heading of improvements. If the federal authorities are going to make any decisions regarding stimulation of such modernization steps should be taken now.

* * *

### *Push Fall Air-Conditioning*

MANUFACTURERS of air-conditioning apparatus were not slow to capitalize on the enormous popularity of their equipment occasioned by this summer's abnormal heat wave. During the height of the wave customers eagerly sought stores where the new system had been installed. Restaurants so equipped suddenly found premises crowded and cool theatres were able to compete successfully with the beaches and swimming pools.

But while the success of air-conditioning was more spectacular during the days when the mercury fluctuated between 90 and 110 degrees, building authorities agree that the real season of this new development is just ahead. In other words Canadians are up against most abnormal weather conditions during the colder months for the simple reason that in the fall, winter and spring they largely live in an atmosphere of their own creation—heated buildings. However, that man-made weather, as a result of modern air-conditioning can now be brought under control. This is a point which might well be stressed on the general public now.

## Canadian Vickers Builds Airplanes

### Three New Types of Machines Produced for Ottawa

From Our Own Correspondent

MONTREAL. — Three airplanes are now being built by Canadian Vickers Ltd. for the Department of National Defence, with the first of these to be delivered before the end of the month. The planes, which will be used in photographic survey work, are high-speed all-metal transports of the latest design and are known as the Northrop "Delta."

Two years ago Canadian Vickers entered into an arrangement with the Northrop Corp. of the United States for the manufacture of their aircraft in Canada and the 3 machines now being completed are the first of this series.

Officials of Vickers decline to state the amount of money involved in the manufacture o these machines, indicating the cost of this first group would vary substantially with later production. It was indicated, however, that further orders for this type of machine might be expected from government sources.

*BRITISH AMERICAN OIL COMPANY'S TURNER VALLEY ABSORPTION PLANT*

The $350,000 plant of British American Oil Co. covers a lot of ground as this picture shows. The wet natural gas from Turner Valley wells enters the absorption towers where it encounters absorption oil going in the reverse direction. This takes up the naphtha or gasoline from the natural gas. The absorption oil then passes through the stripping still where the naphtha is distilled off from the oil. It is then forwarded to the stabilizing plant where the pressure stabilizers give the final stabilization.

The large structure in the rear is made up of the very large cooling towers with a total capacity of 90,000 gallons per hour. The boiler house at the right has four 125-h.p. units of which 3 are operating at the present time. Cottages for employees do not show in this picture. In this picture can be seen also the absorbers, the reabsorbers, the stabilizers, the stabilizing column, the atmospheric storage tanks and the pressure storage tanks. There is also a water reservoir and a fractionating tank. The plant can process 60 million feet of gas daily.

## Average Price Paid for Home Under $5,000

### Majority Buy Houses Previously Occupied, Survey Shows

A questionnaire study just completed by Northwestern National Life Insurance Co. reveals some interesting facts on home ownership.

The questionnaire, which went to 20,000 of the company's policyholder families, revealed that the average couple buy their first home when they have been married 5 years; when the husband is 32 and the wife is 29. The average price paid by the families reporting in the survey was $4,899, almost exactly 2 years' salary, for the average annual income reported by these home owners was $2,452.

New homes were built by 31% of the families, while 69% purchased older houses. There were children in 61% of the families at the time of the purchase of their first home, while 39% of the original home buyers were childless.

Slightly more than one-fourth—26%—of the families had at the time of reporting bought other homes since their original purchase. The average price paid for the second home was $5,914—almost exactly $1,000 more than the price of the first. But more than half—58%—are still living in the homes originally purchased, while 16% have forsaken home ownership and are now living in rented quarters.

By far the most frequent reason given for reliquishing ownership was moving to another city. The next most prevalent reason was to secure a larger and better house, while financial reverses were found to have caused approximately one-fourth of the losses of home ownership among policyholder families.

Exactly 49.9% of the families reporting gave "a better place to bring up children" as the prime reason for the purchase of their first home, while 47% listed "tired of moving around," "We wanted a permanent home," or similar closely related reasons, including 17% who could name no other motive than "just to have a home of our own." The investment angle was mentioned by 32% as one of their reasons; only 6% acted on the advice of parents or others.

## Much New Construction For New Westminster

Building permits issued in New Westminster, B.C. in July, at $91,450 represented a big increase over the July, 1935, figure of $26,650. Much of the gain was due to a permit issued for building a fraternal society's home with a value of $53,000.

New Westminster's building boom is not over, however. With the July increase, the aggregate total for the 7-month period ending July is $258,756 or more than twice the figure for the corresponding period of 1935. Complete August figures are expected to swell the total still further.

### Largest Gypsum Shipment

From Our Own Correspondent

SYDNEY, N.S.—The largest single shipment of gypsum ever to leave Cheticamp, C.B., was carried to England recently by the S.S. Clytto, when 6800 gross tons were loaded for London.

## *Canadian Trade Grows In Britain's Markets*

### "But That Friendship Must Be Safeguarded," Declares MacLean Publications Representative in London

"You cannot over emphasize the tremendous value to Canada of the open door to one of the world's richest markets given Canadian products by Great Britain," said J. K. Ross-Duggan, resident representative in London of The Financial Post and other MacLean publications during the course of a visit to his home office this week. "That friendship which makes such a thing possible should be carefully safeguarded and the resulting trade developed and maintained.

"It was not that way a few years ago. I found a number of British manufacturers had a chip on their shoulders about Canada. Some of them, and particularly in Manchester where they had been badly hit by the Bennett tariff generally and by the textile duties especially, gave me a distinctly chilly reception when I first went over.

**Annoyances Vanish**

"During the last 3 years many of the annoying interpretations of the Department of Internal Revenue regulations have been swept away. The fact that British goods can now enter Canada more easily and with some idea of what they will cost when they land has made the British manufacturer feel much more friendly to closer trade arrangements with Canada. Prior to that time there was a definite movement under foot to have a tariff put on Canadian manufactured goods. Probably this feeling still exists in certain quarters but again has been offset by the tariff preference spontaneously given in the recent Canadian budget.

"Since 1931 Great Britain has become tariff conscious and has learned very rapidly how to use the tariff as a weapon to develop her own trade. If the present favors had not been extended by Canada there would have been a very serious danger not only of a duty on manufactured goods but of the adoption of some system of quota or tariff which would affect export of our primary products.

"Great Britain has adopted the principle of British goods first, Empire goods second and foreign goods third. It has made quite a policy of having wheat, butter, bacon and other agricultural products grown in the United Kingdom with the object of becoming as much self-contained as possible. In pursuit of that aim of being as self-sufficient agriculturally as possible, the British can no longer be expected to let primary products into the home market indiscriminately apart altogether from her views about reciprocal trade relations.

**Not Competitors**

"British manufacturers with whom I have talked," continued Mr. Ross-Duggan, "make the point with me that they do not desire entry into a Canadian market which is distinctly competitive inside Canada. They seek complementary exports. Examples are the expensive varieties of high-grade English biscuits, knitwear, shoes, woollens, chinaware, food, drug and other specialties in lines not produced in Canada. A high ad valorem duty on goods already high-priced definitely limits sale even though Canadian goods of the same kind are not available."

"When the Ottawa agreements come to be rewritten, what will be the chief aims of British manufacturers?" he was asked.

"Great Britain will want some adjustment of the woollen textile schedules," he answered. "She will want a reduction of the duties on such products as are now developed competitively in Britain but which are complementary to Canadian products. They do not like anomalies such as Canadian doors entering Great Britain duty-free and a duty being slapped on British doors to Canada. That particular item has been adjusted and the Canadian duty reduced. Canadian film high ad valorem duties will be put forward for adjustment.

**Displeased at Magazine Situation**

"British manufacturers and British businessmen generally take a very keen interest in Empire affairs as such. There are not many little Englanders left. It was surprising, for instance, how many unsolicited comments of an unfavorable nature were drawn by the action of the Canadian Government in giving preferred privileges in the Canadian market to American magazines even over those published in Canada. Executives of most important British firms very forcibly expressed the opinion that this action was opposed to the spirit of Imperial agreements. Their view was that it permitted preferential entry into Canada of American advertising of American goods as compared with the Britisher whose advertising in British magazines arrives 10 or 12 days later. Because of that delay British manufacturers have in any case relied on national magazines in Canada to tell their story. Even in Great Britain they are using national media more and more, using local newspapers only for local advertising. The attack on the national magazine situation in Canada has therefore struck our British friends unpleasantly.

"The British public has become very receptive to the idea of buying Empire merchandise. That arises primarily and fundamentally from the fact that the modern Britisher is a great lover of his kith and kin. The response therefore to the excellent advertising campaigns of the Empire Marketing board during its hey-day was marked. The response has become even more marked under the stimulus of the later campaigns carried on by each Dominion in its own interest.

**Praise For Staff**

"Hon. Howard Ferguson, former High Commissioner, made a magnificent contribution during his term of office to the sale of Canadian goods in Great Britain. No praise is too high for what he did and Hon. Vincent Massey is keeping up the good work. He is aided by a very efficient trade commission under Frederic Hudd, Exhibition Commissioner. V. O. Turcotte, the publicity commissioner, D. G. Gerahty, and their staffs, with James Spence in charge of the press bureau. Even more efficient results will be obtained from recent plans for coordination.

"That has corrected the old situation. You will now find a representative and especially good selection of fine Canadian merchandise being sold over the counter from day to day. One can pick up any catalogue of a large merchandiser and find there offered a varied assortment of goods of Canadian origin. One finds apples in profusion from Nova Scotia, Ontario and British Columbia, and all kinds of tomato products such as ketchups and juices. Canadian bacon and Cheddar cheese are particularly popular. Quebec supplies most of the cheese and maple syrup. The Prairie Provinces, particularly Alberta, send turkeys.

"The quality of Canadian wheat and Canadian flour used is especially emphasized in advertising of special breads such as ryvita and vita wheat. Canadian cattle are shipped to Great Britain and fattened there and the resultant meat appears as English meat. Canadian lobster is sold in Britain and some fresh Labrador salmon gets over there. They make quite a feature, of course, of Newfoundland fresh and smoked salmon.

**Overshadows Other Dominions**

"At the British Industries Fair Canada has a great exhibition. Canada's exhibit is equal in size to those of all the other Dominions put together. At Olympia exhibitors have the privilege of offering their goods for sale in sample lots. One of the common scenes is of people walking around Olympia carrying "Buy in Canada" bags filled with samples of all types of Canadian products.

"Canada has made a tremendous advance in exports of semi-manufactured goods to the United Kingdom. This is particularly true with regard to lumber which is being cut in sizes and lengths suited to the market. It has the sympathy of the building trade and Russian competition is not what it was 4 years ago. The lumber comes from British Columbia and the Maritimes mainly and Quebec has also a timber man in England.

"In fact, you find Canadian products all over the place. One can buy Canadian rubber goods of all kinds from balloons to rubber bands. Canadian dolls made by a Toronto firm have caught the fancy of London. Special things like metal furniture, metal ware and drugs come from Canada. And more people find out every year, during the fortnight that the British Industries Fair lasts, of new things they can get in Canada to advantage.

"The leading stores of Great Britain even carry Canadian underwear, women's dresses and hosiery. Canadian rubber soles and heels are attached to leather boots made in Britain and Canadian leather enters into the shoes themselves. And everywhere Canadian rubbers and galoshes are sold.

"Branch factories or assembly plants of Canadian companies also sell a lot. Ford, Buick, Chevrolet and Chrysler feature the Canadian ancestry of their vehicles. Moffat's stoves are made at Blackburn, Lancashire. Washing machines and electrical goods of all kinds are assembled in Great Britain with parts obtained both from Canada and England. So many kinds of goods enter that do not have a real entry into the United States that the value of the market becomes more apparent monthly.

"It cannot be over estimated."

## August Sees Less Building

### Total Down, But More Houses and Private Construction

Canadian construction seems to be tapering off, that is so far as total volume is concerned. Compilation of contracts awarded by MacLean Building Reports Ltd. shows a decline of 13% in August from the previous month and a decrease of about 5% in the accumulated total to date as compared with the first 8 months of 1935.

Figures to date with comparisons are as follows:

Contracts Awarded (000's omitted)

| 1936 Aug. | 1936 July | 1935 Aug. | 1935 July |
|---|---|---|---|
| $ | $ | $ | $ |
| 15,136 | 17,868 | 23,837 | 18,549 |

Accumulated Total (First 8 months)

| | $ |
|---|---|
| 1936 | 111,113,000 |
| 1935 | 117,981,000 |

Residential building jumped in August. Contracts were let amounting to $5,033,900 as compared with $4,295,600 for July. Business buildings totalled $4,052,600 against $3,963,800, and industrial buildings, $1,097,500 as compared with $568,200. Engineering contracts declined about 40% to $5,352,100. It was the big drop here which was responsible for the total monthly decline.

Total value of all contracts awarded in the Dominion amounted to $15.5 millions, a decline of 13% from the July total.

Biggest August builders (in millions) were: Ontario, $6.6; Quebec, $3.7; British Columbia, $1.4; and Manitoba, $1.3.

Toronto and suburbs had $1,850,900 for the month making the total for the year of $13,969,700 as compared with Montreal Island with $2,164,900 and $9,820,700 respectively.

## *Anglin-Norcross Secures Big Jobs*

From Our Own Correspondent

MONTREAL.—Volume of new construction being handled and in view for Anglin-Norcross Corp. this year promises to be substantially ahead of 1935.

During the past few months the company has been successful in securing contracts for construction of new plants from Standard Brands Ltd., Imperial Tobacco, H. J. Heinz Co., W. & A. Gilbey Ltd., Dominion Oilcloth and Linoleum Co., Canadian Industries Ltd., and Howard Smith Chemicals.

## Asbestos Sales Mount Sharply

Largely as a result of large scale demand from industrial consumers in the United States, shipments of asbestos by Canadian producers are rising in volume

Shipments by Canadian producers in May, latest month for which official figures are available, totalled 27,361 tons compared with 19,605 tons in April and 18,562 tons in May of 1935.

Of these, export demand from the U. S. accounted for 21,667 tons in May compared with the preceding month's export total of 15,467. Approximately 74% of May exports went to the U. S., reflecting broadening industrial activities in that country. A continuation of the trend has been in evidence for some time. During the 5 months ended May, 97,245 tons were shipped from the plants of Canadian producers compared with 67,430 in the corresponding period in 1935.

## *Glass Bricks Feature Imperial Tobacco Bldg.*

With the old concrete one story warehouse demolished, work has now commenced on the new Imperial Tobacco Co. 5-floor building on Ste. Antoine St., Montreal. This will be of reinforced concrete, similar in nature to the other buildings of the company in the same block. Cost will be in the neighborhood of $250,000 and it will be completed by December 30.

**Glass Bricks**

The feature of the new structure will be the absence of regular windows in the 3 upper stories. Replacing the orthodox design will be openings filled with the new glass bricks. These are the shape of ordinary bricks but are made of heavy glass, in varying degrees of transparency, and are hollow. The wall will thus be practically impervious to the outside atmosphere whether that be excessive summer heat or just as excessive winter cold. The whole wall will be hermetically sealed yet open to 85% of the light falling on the outside of the glass bricks.

**Humidity Controlled**

Under such conditions it is believed that the air-conditioning equipment to be installed will be able to function perfectly and efficiently and the humidity, of more than ordinary importance with a product like tobacco, will be under absolute control. It was because of the importance of this humidity and to provide draftless working conditions that it was decided to use glass brick.

The same reason prompted a Chicago hosiery firm recently to tear out the old windows, sash and all, and install glass bricks. Humidity apparently, plays a most important part in the handling of delicate silk thread. But when this humidity was raised by air-conditioning to the 70 degrees considered necessary, in the summer the ordinary window glass steamed over and in winter it was encrusted with frost. As a result the operators did not get anything like the maximum natural light.

**Additional Advantages**

Additional advantages claimed for glass bricks are the elimination of shades and sash painting, the bricks being sealed right into the masonry. Ease in cleaning is also cited as they can be readily washed with a hose.

On the remaining window openings "Sull" sash will be used. These have an ordinary sash with the addition of a removable attached sash. Such was selected as having been found most efficient and economical in stopping infiltration of air. This is a necessity where the room atmosphere is required to be kept at a fairly high humidity.

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# Whither Ontario's Hydro-Electric System?

## Financial Comparison at Moment Shows Repudiation of Quebec Contracts in Favorable Light —But What Will Happen if Power Shortage Develops?—Giant Electric System Under Review

By WELLINGTON JEFFERS

The formative period in the affairs of the great Niagara system of the Hydro-Electric Power Commission of Ontario is over. Henceforth progress, with occasional recessions, will be more in line with changes in the level of industrial activity and the slower processes of population growth. Power load will go up and down with the industrial cycle but with a general tendency to increase just as population in the district rises.

These are the main beliefs of the present Commission, one judges from a careful study of the 527 printed pages of the voluminous report recently published on the affairs of the Commission for the year ended October 31, 1935. This reading of the future explains why the old power purchase contracts with Quebec companies for 731,000 h.p. by 1937 to cost nearly $11 millions were cancelled and why new contracts at lower rates were made for an ultimate provision of only 300,000 h.p.

Here is a tabloid picture of the contracts:

| Old Quebec Contracts (For Niagara System) | |
|---|---|
| Delivered at maximum | 731,000 h.p. |
| Cost at max. | $10,965,000 |
| **New Quebec Contracts** | |
| Minimum delivery* | 140,000 h.p. |
| Maximum delivery | 300,000 h.p. |
| Max. cost | $3,750,000 |

*Only minimum delivery so far.

**"Unused and Unusable"**

The main criticism of the old Commission was not for purchasing Quebec power but for getting so much of it. The last contracts for 471,000 h.p. were especially under fire as they would have added nearly $7.1 millions annually as soon as the total was delivered. The commitments increased rapidly after 1931.

T. Stewart Lyon, chairman, in the last report calls this 471,000 h.p. "unused and unusable power," and says the "inevitable result of payment for this great quantity of unused energy has been the following series of deficits in the earnings of the Commission" (made good by withdrawals from the contingencies reserve of the Niagara System):

1932, $2.5 millions;
1933, $4.2 millions;
1934, $2.9 millions;
1935, $2.9 millions.

"If continued, he said, the result would be inevitably to exhaust the contingencies reserve "and bring about unbearable increases in the cost of power throughout the Niagara System."

Hon. Arthur W. Roebuck, attorney-general and a commissioner, expressed the opinion in the spring of 1935 that the contracts were not only "outrageous and inequitable" but "illegal and unenforceable."

The Ontario Legislature thereupon passed an act declaring the contracts illegal, void and unenforceable and on October 18, 1935, the Commission recommended immediate proclamation. It stated definitely that it was in a position to carry on its operations and give all essential services to the power and light users of the province without dependence on power supplied under the agreements mentioned in the Act." The Act was proclaimed December 6, 1935, and so the current year will show a financial benefit from the ceasing of payments for unused Quebec power.

**Believes in Swift Recovery**

This opinion of the present Commission is not in line with that expressed by F. A. Gaby, who was chief engineer of the Commission during all its formative period and up into 1934. On April 6, 1933, he told the Ontario Municipal Electric Association that engineers and commissioners had been visionary repeatedly during the existence of the Commission. Relatively far greater blocks of power had been provided for in the face of statements that the large expenditures entailed would never be justified. But always in the past the load had increased so rapidly as to confound the critics and face the Commission with a possible shortage instead of a surplus.

Since commencing operations back in 1910 in the Niagara System, said Mr. Gaby, an increasing potential demand of 11.4% per annum had been experienced "with singular uniformity," but nevertheless the Commission had feared a possible recession in industrial activity and had made provision only for increase in power in the average of about 7.7% to 1937. If that rate had increased at the old rate 800,000 h.p. would have been needed instead of the 471,000 h.p. actually provided.

**Plan for Prosperity**

"In 1932 nearly one third of the motors in industrial plants were idle and if these are coming back into use you are met with the fact that the present surplus of power available to the Commission (that is, all provided by the old Quebec power contracts) is an absolute minimum to take care of the industry upon the return to normalcy. Do you think it better to be prepared for a return to prosperity, or do you think we should plan on the basis of continued depression?

"Is not the experience of 18 years an infinitely better criterion upon which to base estimates for forecasting the future power provisions needed than the seriously curtailed conditions of the last 3 or 4 years, pertaining to a time of depression such as has never before been witnessed?

"Are future hopes and operations to be held within the confines of the world's greatest depression? Is there no hope that manufacturers of electrical appliances will find a new market? Is there to be no expansion of business? Are there to be no new homes and new commercial and industrial buildings which will require new light or power facilities? Will industry in general not expand and will not new industries arise? Will business in motors, electrical irons, washers, ranges and other appliances be confined to repairs and replacements?"

The answer of the present Commission, Government and legislature has been to cut off the surplus Quebec power. The makers of the old contracts are aghast.

"Supposing we were wrong," they say in effect, "and you are right, you have nevertheless hit a harder blow at provincial and commission credit by repudiation than our mistakes could possibly have done. We thought we were right and we still believe events will prove us right."

The "ins," in other words, accuse the "outs" of bad judgment and the "outs" accuse the "ins" of bad faith.

**May Repudiate Repudiation?**

Apart from the ethical and practical considerations involved, the legality of the Commission's action has been challenged by the court case taken by Ottawa Valley Power Co. to test the constitutionality of the act whereby the Ontario Legislature declared the old contracts "to be and always to have been illegal, void and unenforceable." Without prejudging the case, it may be said that if final courts find against them the Commission may yet have to accept 731,000 h.p. from Quebec at an annual cost of nearly $11 millions. The Commission has already written new contracts whereby it is using at present 140,000 h.p. of this total and whereby it has a first claim to 160,000 h.p. more if the need arises.

The Commission is now profiting materially from its acts of repudiation. The large deficits of the last 4 years ended October 31, 1935, will be replaced in the current year by a surplus, and after October 31, 1936, it will divide the spoils of its financial sharp dealing with the 2.1 million people inhabiting the territory covered by the Niagara System by reducing the rates to users of 800,000 h.p. by $2 a h.p. This is done pending the results of the court cases and would make the political and economic consequences of later increases so much the worse if courts rule that the Ontario Legislature had no right to declare the contracts illegal.

**Sources of Future Power**

But supposing the courts uphold the Legislature in this exercise of its powers, have the Commission and the Ontario Government shown good judgment along with their bad faith in repudiating the contracts? How long will the 30% power surplus now provided for above primary load in the Niagara district last? One expert calculation is that within 5 years the Commission must have made provision for another 30% surplus and that in 10 years power load will require total available power exceeding 2 million h.p. from the Niagara system alone.

What is available now and what can be made available in the next 10 years for this system, serving that vast territory north of Lake Erie and Ontario, as far east as Whitby and north to Lake Simcoe; serving 2.1 millions of people through the co-operating shareholding municipalities with electrical energy, generated at plants on the Niagara River and on the Ottawa River and with power purchased from Quebec companies.

To serve this population properly power must be ready for its highest demand, whatever it may be. The 20-minute peak primary horsepower load in December last was 988,740 h.p. including the 56,032 h.p. of its subsidiary, the Dominion Power & Transmission.

To meet that peak demand the last annual report of the Hydro-Electric Power Commission shows maximum amount of plant capacity as at October 31, 1935, to be a little over 1,000,000 h.p., and the following table shows where this power is and also the sources of additional power provided by purchase or thought to be developable:

| | h.p. |
|---|---|
| Hamilton steam plant | 24,000 |
| De Cew Falls, Welland Canal | 50,000 |
| Ontario half Chats Falls | 96,000 |
| Toronto Power Niagara Falls | 170,000 |
| Ontario Power Niagara Falls | 180,000 |
| Queenston plant | 500,000 |
| Total | 1,020,000 |
| **Bought** | |
| New Gatineau Co. | 100,000 |
| Available at need | 160,000 |
| Maclaren-Quebec | 40,000 |
| Total all sources now | 1,320,000 |
| Developable at Niagara | †570,000 |
| Total | 1,890,000 |

†Including 250,000 h.p. which can be developed by De Cew Falls storage basin for 4 hours daily to meet peak demands and 120,000 h.p. made available at Niagara if Ogoki diversion scheme proceeds. It also includes 200,000 h.p. which could be added if Commission took over Canadian Niagara Power and took delivery of its quota of water lower down the river at Queenston.

The contract amount of power purchased from Quebec in 1935 was 608,984 h.p.. The total primary and secondary loads at one time in 1935 went up above 1.3 million h.p. The secondary power is "at will" power sold at lower rates and the company is under no obligation to hold it in reserve.

**Cancels Sales Contracts**

The total of generated and bought power is just equal to the total peak load in October last of primary and secondary power. Since then the Commission has been cancelling some of its engagements to deliver below cost power and is getting additional leeway in that way.

The new Commission had the events of the depression before it when it saw fit to cancel the contracts. That also is in consequence of a new policy not to purchase more power from Quebec than can be helped. Back to Niagara is the future policy of Hydro, it says.

**Increased Use Slows Up**

The present Commission entirely disagrees with the idea that a 11.4% gain yearly is the normal thing to expect. The 11.4% calculation, it says, includes the formative period of the Commission. There are few new companies now to be taken in and increases in use of current must now keep pace with the slower processes of population increase. If there is such a thing as a saturation point it would be inclined to think it would be nearer in Ontario than elsewhere. In the Niagara system the average consumer takes twice as much current as the average consumer in the United States.

It is admitted that the Commission could help build up huge industries if it were willing to take all the Quebec power at $15 per h.p. and sell the surplus power as secondary power at a few dollars per horsepower or less than one-fifth the cost. For example, the Niagara frontier could be made the source of a large chemical industry if power were sold below cost. The Commission was formed to sell power at cost, but the present Commission believes that the selling of below-cost power as a policy is foolish and non-economic.

**New Power Sources**

It is claimed as well that even in times of great industrial activity it is useless to expect advance in current sales to be more than 7% at the outside. In less developed parts of Ontario progress can be more rapid, but not in old Ontario. On this basis it is estimated that present sources will provide power for 5 years, that is, power sold at cost or profit.

What are those sources? First, there is De Cew Falls which now provides 60-cycle horsepower for old Dominion Power & Transmission customers. One 25-cycle unit could be added to the De Cew Falls plant economically, Ontario considering it would have the right to develop 120,000 h.p. anywhere in the Niagara area or through the Welland Canal if water were added by the Ogoki diversion scheme to Lake Superior.

Aside from that and with no need to add new water it is urged that a storage basin at De Cew Falls could be used to develop 25-cycle power in such a unit to take care of 250,000 h.p. more in peak loads if needed. The peak load occurs between 4 and 6.30 o'clock on the dark afternoons of October, November, December and January in Toronto. Luckily in smaller cities it is the custom to have a midday dinner and so the peak load is not as accentuated as it might otherwise be.

**Save Line Losses**

The storage basin would fill up again from the Welland River or canal each day in readiness to take care of the peak load. Though this peak load exceeds 910,000 h.p. at times in the last quarter of the year, the real load drops to as low as 650,000 h.p. at times in the summer.

It is therefore calculated by present commissioners that they will not have to bother about new sources of power for many years, certainly not for 5 years when the De Cew Falls storage basin could be ready. It is claimed as well that savings in line losses as high as 41,000 h.p. are being made by getting all possible power from the Niagara section instead of from Quebec.

**Can Get 200,000 h.p. More**

Moreover, the Commission's view is that the charter of Canadian Niagara Power, a United States concern developing Niagara power, permits it to generate 100,000 h.p. The Commission itself is supposed to get 36,000 cubic second feet from which to generate power. From this Canadian Niagara Power takes 10,000 cubic second feet to generate its 100,000 h.p. Of this 100,000 h.p. it uses 17,000 h.p. to supply customers in the Niagara Peninsula and it sells 20,000 h.p. to the Commission.

For the remaining 63,000 h.p. sent across the border it is apparent that 6,300 cubic second feet are needed for generation and this comes out of the 36,000 cubic second feet set aside for Canada.

The Commission believes Canada has a right to the whole 36,000 cubic second feet. In addition to that the Commission has continued to honor the contract made by Ontario Power Co. to supply 60,000 h.p. continuously for a long term of years to the Buffalo & Lockport Co. and some 3,333 cubic second feet are used to generate it.

The Commission argues therefore that 10,000 cubic second feet should be allowed to Canada for the export of these 2 blocks of power as Canada gets no benefit from them and has really only 26,000 cubic second feet instead of 36,000 cubic second feet. It increases the United States quota of 20,000 cubic second feet to 30,000 instead of 20.000. Thus Canada is getting less than half the water allowed to generate power at the Falls. Studies made by Commission and independent engineers show that the Commission could take this water used by Canadian Niagara Power, take it down to Queenston and develop 300,000 h.p. instead of the 100,000 h.p. now developed at the higher point by Canadian Niagara Power. It could afford to take over all the Canadian Niagara Power commitments in Canada and the United States and still have a surplus of 200,000 h.p. and not use any more water than now.

That is regarded as a source of power which may and will be utilized if need arises in the next decade or more. It would not be a matter for consideration for a considerable time as the De Cew Falls project will be the first to receive consideration. The Ogoki Falls diversion scheme, it is stated, could be utilized at some future period to add water which would permit a major development plan at Niagara Falls.

**What About 1975 A.D.?**

And when more decades have rolled by the Commission looks to ultimate utilization of a million horsepower in the upper reaches of the Ottawa River. The Madawaska River is capable of giving a lot of power and there are other sources. The St. Lawrence River development will not be needed for one or 2 generations, it is estimated. The Commissioners and members of the Ontario Government therefore argue that the hydro financial statement, in giving a more favorable picture, is not misleading. They claim that no shortage of power sold at cost will develop and that in the meantime consumers in the Niagara Peninsula will have great savings.

**Niagara as Future Source**

What more can be done at Niagara? Back in 1933, F. A. Gaby, then chief engineer, claimed that the blocks of power necessary to meet the increasing demands of the Hydro System are of such magnitude as to require developments of major size to supply them. He pointed out 3 main potential hydro-electric sources from which power might be derived.

First, further development could be obtained on the Niagara River if permission were granted for the use of additional water.

Second, on the interprovincial Ottawa River, Ontario has an equity of half a million h.p.

Third, in the international portion of the St. Lawrence River, Ontario has an equity of about one million h.p.

Not one of these sources can be utilized now, he said, and no one knows when they can be. Some years ago the United States Senate rejected a proposed amendment to the Boundary Waters Treaty which provided among other things for further early development at Niagara. Until a new treaty is actually signed, sealed and delivered this extra power cannot be developed.

There also are problems involving provincial rights in the co-ordination of various interests on the Ottawa River. In the case of Chats Falls development, those problems seemed to be cleared up by the contract to purchase the Quebec share of the power developed by Ottawa Valley Power in co-operation with the Commission. That joint development was 192,000 h.p. of which the Commission generated 96,000 h.p. As a new contract was not made when the old one was cancelled, there are considerable difficulties in the way of development on the Ottawa River.

In the case of the St. Lawrence River, that one million h.p. looks like a lot of power, but it might as well be a lot of "hooey" when it depends on a treaty which has been under consideration for more than a decade and which may still be a matter for diplomatic interchanges 20 years from now. And even when international agreement is obtained, it will take from 5 to 10 years to make international development possible on a large scale.

Way back in 1928 and 1929, the old Commission, faced with these difficulties, decided that it had to decide between steam-produced power or purchasing hydro-electric power from Quebec. They bought hydro-electric power from Quebec. A new government and a new commission do not agree with their solution.

**Power Load Grows**

Admittedly in the course of time it may be worse for the Niagara system to come up against a shortage of power than to carry a surplus in the meantime at some increase in rates. Though in the days of the depression anything which tended to prevent an increase in rates was apt to appear acceptable to many consumers, there will be just as great criticism in the course of time if there is any failure to meet the growing demand.

Every industry which worked on partial time during the depression requires more power as it comes back toward full capacity. Similarly more current will be used as more people are employed. During the depression, manufacturers continued to make and sell substantial quantities of power-operated equipment to be used on the premises. The use of electric ranges, hotplates, washing machines, vacuum cleaners, water heaters, irons, ironing machines, refrigerators, toasters, has been increasing steadily. The only contrary movement that may be considered is the increase in the use of natural gas for heating in certain parts of the territory served by the Ontario Hydro-Electric Commission. This natural gas will naturally be used both for cooking and for heating. There is also a growing tendency to use Diesel powered engines as the cheapest and readiest way of getting power for enterprises which are far from Hydro lines.

Hydro officials themselves expect increasing sale of power in the years to come. Load increased considerably through 1935 with increasing industrial activities. The load was not increasing so much from the addition of new users as that new uses are developing for power.

**1935 Revenue Inadequate**

The revenue of the Niagara System was $22.1 millions for the year ended October 31, 1935, a gain of 3.2% in the year. Total expenses were reported by Hon. Arthur W. Roebuck, Attorney-General in the Ontario Legislature to be nearly $25 millions. He reported the total of deficit for 1932, 1933, 1934 and 1935 at $12.5 millions and to meet them the Commission drew on the reserve for contingencies and obsolescence to such an extent that it dropped from $14.4 millions to $3.8 millions.

The cut of $2 per h.p. will reduce receipts in 1937 by $1.6 million. This would still leave ample margin for building up contingencies reserve again as saving is about $9 per horsepower from cancellation and under the old contracts the Commission was absorbing from $4 to $5 per horsepower in the below-cost rates it charged wholesale buyers.

For the 9 months ended July 31, 1936, the Commission has shown a profit of slightly more than $2 millions and in the same period of the previous year the net loss was just $2,000 less than the profit for the 9 months of this year. The improvement shown by the 9 months is therefore almost $4.25 millions.

**That Cancelled Power**

Since 1929, the capital investment in the Niagara system increased from $168 millions to $210.3 millions. Back in 1929 the power purchased cost $1.6 million and in 1935 $8.2 millions. In the current year, a great deal of that expense will not occur because of the cancellation of the contracts. The total cost of power in 1929 was $20.4 millions and in 1935 $26.2 millions, but in the current year will be reduced because of the cancellation.

Back in 1929, 1930, 1931 and 1932, various amounts were credited to the co-operating municipalities, but the growing amount paid for unused Quebec power caused a certain amount to be charged in the following years under the basic plan to give the municipalities power at cost.

There may be some further saving on the Niagara system in that the bulk of the capital invested in the Queenston-Chippewa plant falls due inside of the next 7 years. Some of these loans bear interest at 6% and therefore it is possible that $60 millions of bonds which will fall due up to 1943, will be replaced by bonds at a lower rate of interest. That is counted on.

The funded debt issued or assumed by the Commission on October 31, 1935, was $84.4 millions of which the Niagara system assumed $57 millions. The interest on this in the last full year was $2.6 millions.

Although contingency reserves have been depleted in recent years, to meet deficiencies between cost and receipts, the Commission has been increasing its renewal reserves. On November 1, 1934, the balance of renewal reserves for the Niagara system stood at nearly $21 millions and at the end of the fiscal year on October 31, 1935, at $23.3 millions. In the same period the obsolescence and contingency reserves dropped from $6.6 millions to $3.8 millions. In the same period the sinking fund reserve went up from $27.6 millions to $30.6 millions.

**Rates Collected by Hydro**

The interim rate for horsepower collected by the Commission in the Niagara system during 1935 as in other years, depended on the cost at the point of delivery. It was as low as $19 per h.p. at Niagara Falls and went as high as $90 per h.p. at Alvinston. Each municipality is charged the cost of power supplied by the Commission, the amount appropriated from the contingency reserve of the system and proportionately applied in reduction of such cost, the amount received by the Commission from each municipality and the amount remaining to be credited or charged to each municipality in respect of power supplied within the year. Other comparatively low and high rates charged were:

Preston, $27; Guelph, $28.
Hamilton, $24.50; London, $26.
Niagara-on-the-Lake, $27; Galt, $27.
St. Catharines, $23; Stamford Twp., $21.
Toronto, $28.10; Waterloo, $27.
Welland, $24; Weston, $27.

**Higher Figures**

Zurich, $65; Wellesley, $50.
Dubarry, $54; Hensall, $52.
Granton, $53; Erie Beach, $70.
Dublin, $59; Drayton, $60.
Brigden, $65; Arkona, $75.

Some of the high figures were because a small amount of power was required and the overhead was correspondingly expensive per horsepower.

In a series of charts the Commission claims that the consumers paying 1.9 cents per kw. hour or less make up 89% of the total consumers, from 2.0 to 3.9 cents 10½% and 4 cents or more ½ of 1%. In commercial light service 93% pay 2.4 cents or less and in power service supplied by municipalities 65½% pay from $20 to $30, and 33½% $20 or less, while 1% pay $30 or more. The average consumer buying from Hydro-Electric Power Commission has a high average annual consumption as compared with consumers elsewhere. The Commission claims this is the result of their policy of providing service at cost.

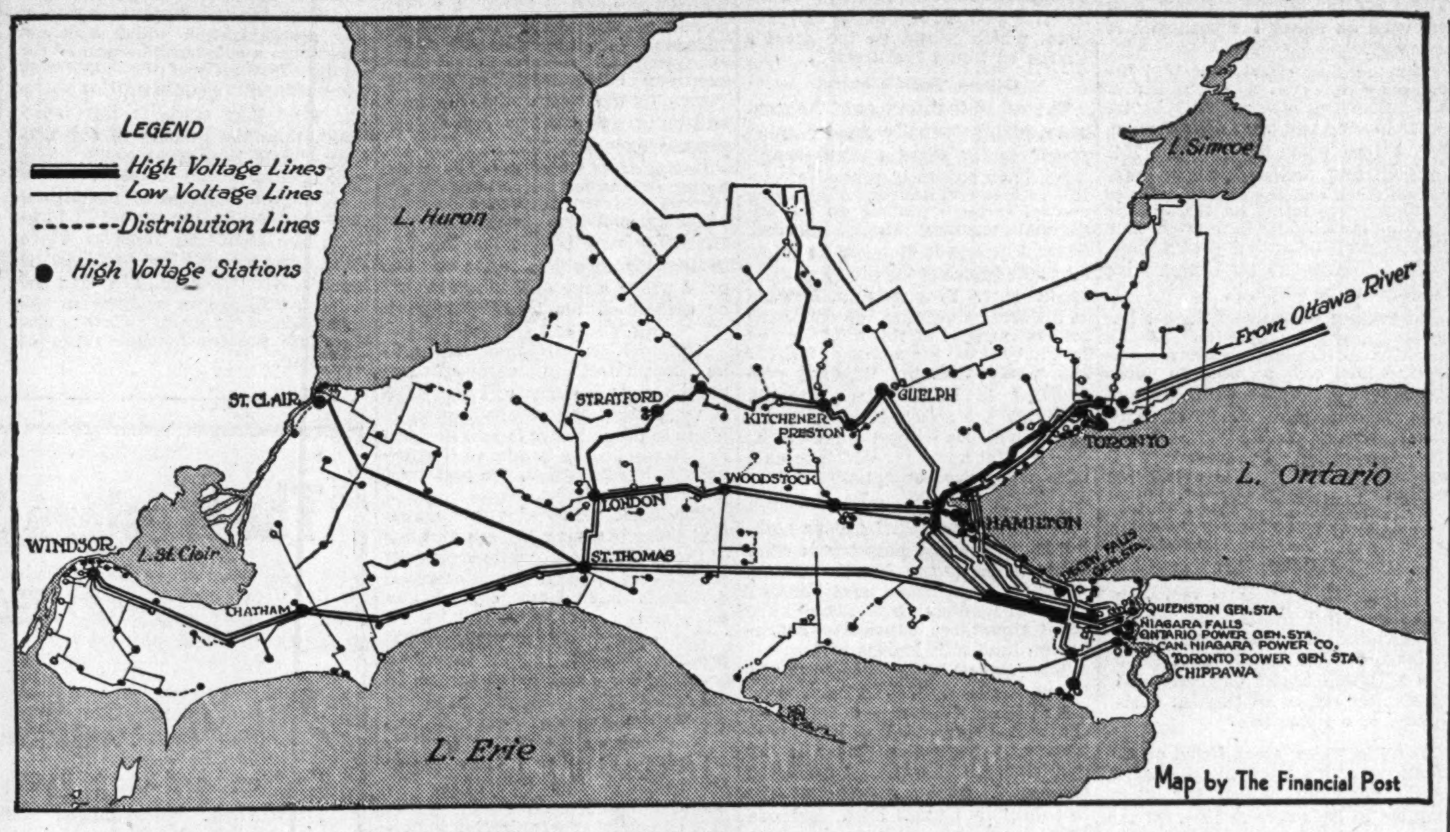
On the Niagara system there are 705 line route miles of 220,000 volt transmission lines, and 781 miles of 110,000 volt lines. The 1,700 other miles are of less voltage running from 90,000 to 12,000. There are about 4,000 miles of circuit lines as well.

**Most Do Well**

The balance sheets of electrical departments of Hydro municipalities at the end of 1935 showed the percentage of net debts to total assets varying from as low as 1.1% at Acton and Ailsa Craig to as high as 67.9% at Arkona and 70.4% for Mildmay. The percentage of the net debt for all the municipalities showed an average of 34.8% over the whole Niagara system.

Toronto's net hydro-electric system debt was 39.7% of the total assets. All but 15 municipalities showed a net profit for the year. Altogether there were 175 municipal accounts set forth in the last financial statement of the Commission.

The number of consumers in the Niagara system in domestic service was 372,878 at the end of 1935, 57,041 in commercial light service, 10,570 in power service, or a total of 441,489. The importance of Niagara system can be seen when it is known that the total number of consumers for all the systems of the Commission is 547,785 with domestic service accounts at 462,048.




*NIAGARA HYDRO SYSTEM BLANKETS SOUTHERN ONTARIO*

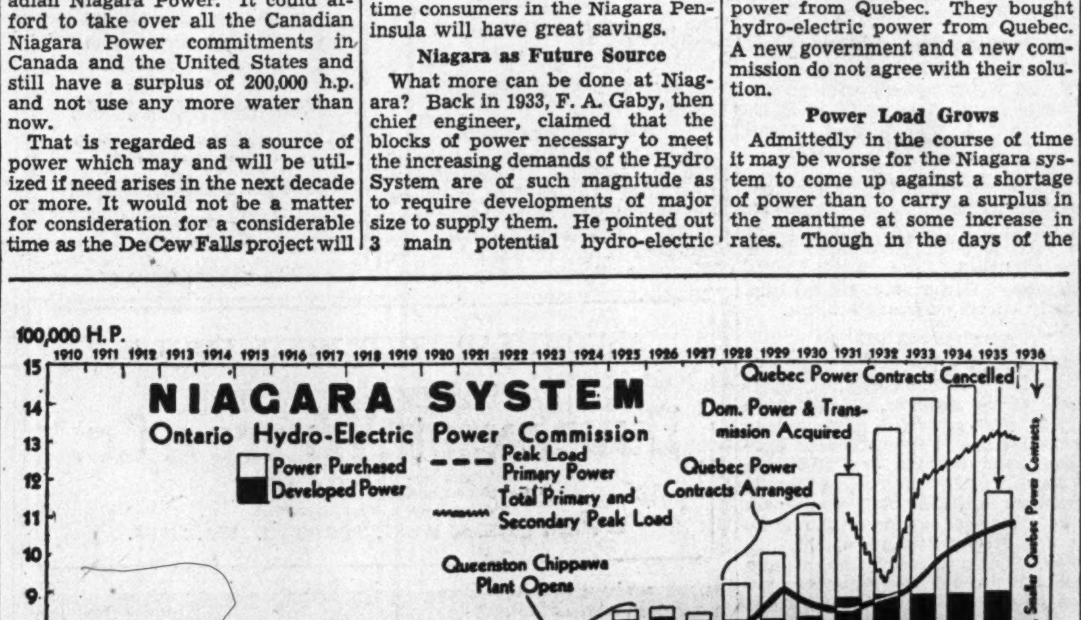
This map shows territory covered by Niagara district of Ontario Hydro-Electric Power Commission and the high and low voltage lines and stations which distribute it from various generating stations. Only municipal distribution lines are not shown. As a matter of fact these blanket the whole area not shown as covered in the map. More than 2 million people are served in that area.

## Commission in July Saves $623,146 by Repudiation

The Hydro-Electric Power Commission of Ontario in July saved $623,146 on cost of Quebec power as a result of the repudiation of the old contracts. Under the old contracts it would have been taking 652,000 h.p. at $15 whereas under the new contracts it used less than the contract demand of 100,000 h.p. at $12.50 per horsepower and does not anticipate going beyond that for a while. As the ultimate contract supply would have reached 731,000 h.p. in 1937, it is evident that the actual monthly saving thus shown will be increasing for a year.

**Niagara System Power Costs in July**
**Payments Required Under Old Terms**

| | h.p. | Rate | Amount | Total |
|---|---|---|---|---|
| Gatineau Power Co. | 260,000 h.p. | @ $15.00 | $325,000.00 | |
| Maclaren Quebec Power Co. | 100,000 h.p. | @ 15.00 | 125,000.00 | |
| Beauharnois Light, Heat & Power Co. | 196,000 h.p. | @ 15.00 | 245,000.00 | |
| Ottawa Valley Power Co. | 96,000 h.p. | @ 15.00 | 120,000.00 | |
| Total | 652,000 h.p. | @ $15.00 | | $815,000 |
| **Purchased Under New Contracts** | | | | |
| Gatineau Power Co.: | | | | |
| "Contract demand" | 100,000 h.p. | @ $12.50 | $104,166.67 | |
| "Immediate standby" | 33,000 h.p. | @ 10.00 | 27,500.00 | |
| "General reserve" | 127,000 h.p. | @ 1.75 | 18,520.83 | |
| | 260,000 h.p. | | 150,187.50 | |
| Maclaren Quebec Power Co. | 40,000 h.p. | @ 12.50 | 41,666.66 | |
| Total | 300,000 h.p. | | | $191,854 |
| Difference | | | | $623,146 |




*THE DEVELOPMENT OF HYDRO POWER*

This chart shows the power developed and purchased by the Hydro-Electric Power Commission of Ontario from the first block bought in 1910. The rising black and white line also shows the details year by year of the increasing demand for primary power at the peak toward the end of each calendar year. Because of the cancellation of Quebec power contracts supply of surplus power at low rates will cease and secondary power will become more and more a question of disposing of off-peak power.

## City Manager Gets Results

MUNICIPAL HONOR ROLL
City of Chatham, Ont.

Fourteen years of municipal administration under the city manager system have produced results which place Chatham, Ont., in the forefront of Canadian municipalities with an A1 financial rating.

The city's debenture debt is among the lowest in the Dominion on a per capita basis of about $44.60, and in the last 5 years Chatham has steadily reduced its debenture indebtedness at a rate of $100,000 annually, until the total debt at the end of 1935 stood at $714,000. In 1935 the city retired $106,522 of its debentures, including $69,168 which did not mature until this year.

Of the total debenture debt maturing in 1936 and subsequent years, amounting to $783,176 (less $69,168 paid in 1935), no less than $282,222 consists of public utility bonds which are serviced out of profits from the city's hydro-electric and waterworks departments, and these are consequently not a charge against the taxpayers.

Economy is the keynote of the city's policy regarding operating expenditures and in this connection its record is impressive in the light of rising relief costs. Relief charges were estimated at $29,000 for 1935. Actually, net expenditures for relief last year totalled $25,754. The city has appropriated $71,000 this year for all charities, including $25,000 for direct relief. The city council has been warned by its finance committee that even more rigid economy is necessary this year if a budget deficit is to be avoided, since total expenditures for all purposes in the first quarter of 1936 were $124,700 against $112,903 in the corresponding period of 1935.

**Closely Estimated**

If the experience of recent years is repeated, Chatham will have only a few hundred dollars either debit or credit at the close of 1936. Last year, however, the net deficit was only $2,735 in controllable accounts after all items were settled.

The city's balance sheet at Dec. 31, 1935, showed a surplus of $1,987,390 in assets over liabilities.

Population: Present, 15,957; five years ago, 16,441. Area, 1,650 acres.

**Income and Assessment**
**Year Ended December 31, 1935**

| | |
|---|---|
| Cash receipts | $1,022,247 |
| Disbursements | 1,003,132 |
| Assessed value for taxation | 14,435,444 |

Tax rate, 1935: 34 mills.
Total tax arrears, $264,455; last year's levy, $525,668; uncollected, $134,784.

**Assets and Liabilities**

| | |
|---|---|
| Value of assets | $2,701,398 |
| Total debenture debt | 783,176 |

**Debenture Debt**

| | |
|---|---|
| General | $198,438 |
| Local improvements | 255,831 |
| Hydro-electric | 219,022 |
| Waterworks | 63,200 |
| Schools | 76,685 |
| | $783,176 |

# Your Investments

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## Montreal Trams

Can you tell me the book value of the shares of Montreal Tramways Co? Can you tell me any reason against their desirability as an investment?

The book value of Montreal Tramways Co. common stock at the end of 1935 was $181.73 a share. This is the lowest equity reported by the company in several years.

One drawback to the investment in this company's shares is the rather uncertain political outlook. During the last year or so there has been an agitation for the revision of the contract made between the company and the city in 1918, whereby the fixed return would be lowered. Further, revenues of the Montreal Tramways Commission in 1934 and 1935 were not sufficient to take care of all payments owing to the company. A moderate increase in traffic would correct the latter situation. Until the political situation clears up and revenues are on an upward scale, the investment merit of the company's stock remains affected.

## Canadian Car

Would you kindly give me so far as you can the present position of the Canadian Car and Foundry preferred as to current earnings, as well as the pending lawsuit over German war losses?

Canadian Car and Foundry Co.'s financial statement for the year ended September 30, 1936, is expected to show profitable operations for the first time since 1931. However it is not likely that net income will be sufficient to permit a resumption of dividends on the preferred stock. In 1935 the company reported a consolidated loss of $497,256, as against $729,147 in 1934.

The war claims case, which has been going through the courts for many years, was recently reopened. In some quarters it is expected the company will be successful in its claim for damages resulting from the alleged sabotage of the Kingsland plant by German agents during the war. Work of the Mixed Claims Commission has been delayed, but the total amount involved in settlement of the claim has been deposited in Washington by Germany and a decision is expected when someone is appointed to take the place of the late Chandler P. Anderson, member of the Commission.

## International Power

Have you the price range of International Power common for 1929? I am wondering whether this would not be a good purchase.

International Power Co. common sold as high as $35 and as low as $14 in 1929. Dividends have not been paid on the second preferred stock, which is therefore in arrears $55.50 a share ahead of the common stock. The first preferred stock is $27.25 a share in arrears. Clearly, this is not very impressive, and the future prospects of the common do not appear very bright. Even if earnings were to advance sharply, it would be some years before any payment could be looked for on the common.

## Canada Cement

Would you kindly give me the reason for the advance in price of Canada Cement preferred stock?

The recent advance in the market value of the preferred stock of Canada Cement Co. may be attributed to 2 causes, namely, expectation that the bonded debt would be recalled and replaced with an issue carrying a lower coupon rate, secondly, prospects of improved business and larger earnings.

As you probably know, directors have called a meeting of shareholders to approve a proposal for redemption of the bonds and the creation of a new issue. This step should result in the lowering of interest charges with consequent benefit to the preferred stock.

While no official statement has been issued by the company as to the extent of business during the fiscal year ending November 30 next, expectations are that income will be on a larger basis than in 1935 when the company covered bond interest, set aside $1 million for depreciation, and had a surplus of $37,694 before dividends on the preferred stock.

## Industrial Alcohol

I notice that Canadian Industrial Alcohol A is quoted at about half the price it was about 6 months ago. Can you advise me if they have made any further sales recently to the United States? What sales are being made of their new by-products? Also if there has been any indication of a dividend being paid?

We have not heard of any further major sales of alcohol by Canadian Industrial Alcohol in the U. S. market. Latest reports are that the company is selling a satisfactory volume of alcohol to U. S., but prices have not been as good as expected. Subsidiary companies are understood to have experienced an improvement in the current fiscal year. Robert McNish and Co. is reported to have earned sufficient to pay its own debenture interest, which has been paid by the parent company. Olde Tyme Distillers Corp., an American company in which Canadian Industrial Alcohol has a substantial interest, reported a net profit of $268,000 in the first quarter of 1936 and is reported likely to earn about $800,000 for the year.

The industrial division which makes a wide range of alcohols and related products for industrial use, provides diversification. Early in 1936, it was announced this line was being enlarged to include the manufacture of patented anhydrous solvents such as acetone and butyl alcohol. So far there have been no reports, official or otherwise, of earnings from this division.

As far as we can learn there is no immediate prospect of a dividend being paid by the company.

## Bruck Silk Mills

Can you tell me why Bruck Silk Mills stock has steadily declined in value?

The main reason for the low price of Bruck Silk Mills is to be found in the statement issued by the directors in July, when the dividend was reduced to 10 cents quarterly. At that time the directors said: "The generally unsatisfactory conditions which have prevailed in the textile industry in Canada during the past months resulted in your company not having produced earnings to justify the former dividend."

## Dominion Textile

What changes were made in the last tariff to cause the stock of Dominion Textile to sell off in value?

The depressed market value of Dominion Textile Co. and other textile stocks is not due so much to the changes in the last tariff, but to anticipated changes which may come about as a result of the readjustment of the Empire trade agreements. The belief of some investors obviously is that the Dominion Government may use the textile industry as one means of bargaining with the British manufacturers for the further concessions for Canadian raw materials.

## Foundation or Bldg. Products?

In considering construction stocks, which do you think is the best, Foundation Co. or Building Products "A?"

It is not the policy of this department to select securities or to choose between them. Of the ones you mention, both are very interesting issues at present prices, but as the 2 companies do not serve the same field, comparison is not possible. Foundation Co. is largely a construction organization, while Building Products is interested in supplying materials for building. Both companies have very good management and their records have been better than that of the average Canadian corporation.

## Canadian Celanese

What is your opinion on Celanese common? Is it true that the company earned $15 on the preferred and $5 on the common?

Canadian Celanese earnings have steadily increased and in 1935 amounted to $16.82 on the preferred and $3.18 on the common stock. These are the largest earnings ever reported on either the preferred or common.

For the first quarter of 1936 the company reported a net profit of $372,423, which is apparently before other income and after depreciation, but before provision for the 10% participating dividend on the preferred stock and the setting aside of $122,400 for interest on the income funding rights. This is the first time that interim operating profits have been available, so no comparative figures can be given.

At present Canadian Celanese has under way construction of an addition to its plant at Drummondville, which will be used to house machinery for the manufacture of new fabrics, particularly an artificial woollen fabric for suitings. This expansion of operations is expected to add further to earning power.

## Electrolux

I shall be obliged if you will give me full information about Electrolux; also Electrolux (Canada) Ltd. The former appears to be a United States company and the latter either an English company, or a subsidiary.

The Electrolux stock listed on the Montreal Stock Exchange is that of Electrolux Corp., which was incorporated in Delaware in 1931, for the purpose of acquiring the patent rights in the United States relating to electric cleaners and all of the outstanding capital stock of Electrolux Inc., a New York corporation. So far as we know there is no stock on the market of Electrolux (Canada) Ltd. At the end of 1935, Electrolux Corp. had current assets totalling $6.4 millions against current liabilities of $2 millions. Earned surplus totalled $2.8 millions; reserve for contingencies, $50,000, and share capital and capital surplus, $2.3 millions. During 1935 Electrolux Corp. reported a net profit of $2.8 millions as against $1.9 million in 1934. Net profits for the 6 months ended June 30, 1936, totalled $1,558,759 compared with $1,392,111 for the corresponding period of the previous fiscal year.

At present Electrolux Corp. is paying a regular dividend of 40 cents a share quarterly and, in addition, pays extras from time to time. In 1935 the company paid $1.20 a share, while the distribution up to Sept. 15 this year will total $1.50 a share.

**Newsprint Securities. 8.**

# Price Bros. & Co.

## Reorganization Makes Outlook Uncertain, But Prospects of Preferred Appear Stronger — Property Highly Desirable

From Our Own Correspondent

MONTREAL. — Purchase of the securities of a bankrupt company is necessarily attendant with considerable risk, but, in the case of Price Bros. & Co., the attraction lies in a property universally admitted to be one of the lowest cost newsprint producers on the continent, moderately capitalized, and capable of earning handsome profits under normal conditions.

For more than a century this company has operated in the Saguenay region of Quebec. In that time it acquired outright or by lease valuable timber limits and water powers and has built efficient newsprint plants and sawmills to exploit these resources.

### Downfall Was Rapid

A few years ago Price Bros. was regarded as one of the soundest industrial enterprises in the Dominion. Control was held by the Price family and the small amount of securities in the hands of the public enjoyed a high investment rating.

Then came the collapse in 1932. Not only had earnings been seriously affected by the drop in sales and price of newsprint, but also the company had advanced without security nearly $1.3 million to a private trust of the Price family. The latter step had been taken without knowledge of all the directors. The harm had been done, however, for later the trust went into bankruptcy and Price Bros. liquid position was so weakened that the company had to pass interest on its own bonds in August, 1932. In April, 1933, the company was adjudged bankrupt and shortly after a receiver was appointed.

This is a bare outline of the downfall of one of the mightiest of the Dominion's family corporations.

An analytical study of the company's securities as a possible purchase falls into 5 main divisions: Survey of assets; financial position; plans for reorganization; current position; and eventual prospects.

The physical property owned or controlled by Price Bros. is one of the finest on the continent. The company has in the Saguenay district 9,400 square miles of leasehold Crown lands, 236 square miles of freehold lands and 33 square miles right of cut, the whole containing about 54 million cords of pulpwood.

The principal newsprint mill is at Kenogami. It has a daily capacity of 550 tons. A newer mill is at Riverbend—rated at 480 tons daily, giving the company a combined newsprint productive capacity of 1,030 tons daily.

There are 2 small mills at Jonquière capable of producing 60 tons of cardboard and 35 tons of newsprint daily.

In addition the 3 principal sawmills, located at Rimouski, Matane and Metis, have a 10-hour capacity of 345,000 b.f.m.

### Power Supply Adequate

Moreover the company has 6 developed water powers with an aggregate installed capacity of 63,250 h.p. and 4 undeveloped power sites with a potential capacity of 61,000 h.p.

The power from its own developments is sufficient to meet the needs of the Kenogami mill, but in order to take care of Riverbend, Price Bros. entered into a contract with Saguenay Power for 100,000 h.p. yearly on very favorable terms.

### Assets of $60 Millions

So much for properties owned or controlled. The last financial statement of the receiver, dated February 29, 1936, sets forth assets having a book value of $60 millions. Current assets totalled over $5.3 millions, all of which can be considered as sound. Mills, timber limits, power plants, etc., are carried on the books at a depreciated value of $50 millions. Such a figure probably would not be realized if the properties were put on the auction block, still it is considered conservative in relation to replacement value.

Investments are shown at $2.8 millions. These consist principally of 15,000 shares of common stock of Aluminum Co. of America; 14,766 shares of Aluminium Ltd. and 8,500 shares of St. Lawrence Corp. The market value of these fluctuates from time to time, but the shares are readily marketable.

The next major items among the assets are nearly $1.3 million owing by Quebec Investment Co. (the Price Family trust company now in bankruptcy) and $536,137 owing by the Newsprint Institute of Canada. These assets are of doubtful value and it is questionable as to whether or not anything ever will be realized upon them.

### Bank Loans $2.8 Millions

Among liabilities are $2.8 millions of bank loans, which are well secured, and $865,265 of accounts payable since bankruptcy. Accounts payable prior to bankruptcy total nearly $2.9 millions, of which the claims of Saguenay Power Co. for unpaid power bills and Consolidated Paper Corp. are the most important.

Funded debt at the end of last February totalled just over $11 millions, on which accrued interest totalled $2.7 millions.

### Equity For Capital

After allowing for all liabilities, there was an excess of book value of assets amounting to $40.3 millions, represented by 62,483 shares of preferred stock and 426,832 shares of common stock, of the par value of $100 each.

From the foregoing, it will be seen that the market value of investment securities is sufficient almost to cover bank loans. The liquidation of accounts prior to bankruptcy and payment of arrears of interest on the bonds would require about $4.6 millions, which would be too great a charge on liquid resources.

### Others Seek Control

The valuable resources of the company, plus potentially great earning power under more normal conditions, have naturally proved attractive to interests desirous of securing control through putting up the additional working capital needed. Several groups have taken an interest in the future of the property since bankruptcy. Proposals put forward at different times are too confusing for the purpose of this analysis and for that reason are omitted. Sufficient to say that the inherent possibilities of Price Bros., properly financed, are apparent to many interests who are willing to put up the new capital on terms which to date have not proved acceptable.

### Holds Key Position

One of the principal groups seeking control of the property is composed of Saguenay Power Co. and the New York investment banking house of Lehman Bros. They have acted through a subsidiary organization known as Pacona Ltd.

The interest of Saguenay Power in the future control of Price Bros. lies in the maintenance of its power contract. This outlet is of importance and Saguenay Power is not only desirous of restoring its power contract to good standing, but also to collect its unpaid bills. Lehman Bros. interest is as a bank which sees a profitable outlet for idle capital.

Pacona Ltd. holds a dominant position in the affairs of Price Bros. and will have a great deal to say about reorganization of the company. When its plan for rehabilitation was turned down by the shareholders, it purchased practically all of the outstanding bonds of Price Bros. As a result it ranks as the senior creditor of the bankrupt property, while its associate, Saguenay Power, is one of the largest of the unsecured creditors. Between them they can block any scheme of reorganization, as was the case in the plan put forward on behalf of the company last April.

### Earnings Are Inadequate

In some quarters the belief is that in time and with a better price for newsprint the company can work out of bankruptcy without the necessity of raising additional capital.

Such a development is possible. On the other hand the improvement in earning power will have to be quite marked, as shown by the following income account:

**Price Bros. Income Account**
Years Ended March 31

| | 1936 | 1935 | 1934 |
|---|---|---|---|
| | $ | $ | $ |
| Oper. profit .... | 675,111 | 681,952 | 1,007,483 |
| Divid. received. | 47,024 | 51,406 | 8,888 |
| Misc. income ... | 12,900 | 5,129 | 2,176 |
| Total revenue . | 735,035 | 738,487 | 1,018,547 |
| Less: Bank int. | 162,807 | 137,267 | 163,190 |
| Misc. interest | 22,906 | 2,277 | 6,326 |
| Bad debts prov. | 15,000 | 43,393 | ...... |
| Net revenue ... | 534,322 | 555,550 | 894,031 |

The net revenue of $534,322 shown is before depreciation and bond interest. Ordinarily Price Bros. writes off about $1¼ million for depreciation, while interest on the funded debt totals around $660,000 annually. On the basis of 1936 returns, income is too small to even cover bond interest. Since publication of these figures, revenues of the company have increased.

### Output Records Gain

During 1934 the company produced about 160,000 tons of newsprint. Last year production jumped to 215,000 tons. However, there was no improvement in price and the rising cost of materials and labor more than offset the lower overhead charges resulting from an increased scale of operations.

With the beginning of the current year the price of newsprint delivered in the American market was increased by $1 a ton which should increase net revenues. At the same time production has advanced to a point where the company is producing between 275,000 and 300,000 tons annually, or practically at effective capacity.

### Needs Better Outlets

On the surface this showing would seem to promise a substantial gain in earnings as Price Bros. is known to be able to produce newsprint at an average of less than $25 a ton at the Kenogami and Riverbend mills. Even after allowing for transportation costs, Price Bros. should be able to show close to $10 a ton gross operating profit on newsprint on the basis of $41 newsprint.

Such is not the case because of the type of business on the books of the company. In order to secure additional business in the last couple of years the coompany took a large amount of South American and other export business at prices which, in some cases, did not cover the cost of manufacture after providing for shipping charges.

Within the past few weeks the price of newsprint in the South American and Australasian market has been increased to more remunerative levels. While this is encouraging there is no means of knowing as yet how much of this business will be lost to Scandinavian and other producers.

### Want U. S. Business

The great weakness in Price Bros. tonnage position is the lack of the more profitable American business. This may correct itself shortly as the rising demand for paper in that market may bring more tonnage to Price. In that event the company will be in a position to limit its expensive export business.

Prospects of Price Bros. securing better returns on its newsprint are favorable. Meanwhile liabilities keep piling up and a reorganization undoubtedly will be carried through before earnings are again at the point where a reasonable return can be earned on the invested capital.

### An Uncertain Factor

Naturally the principal factor to be considered in contemplating purchase of the company's securities is what form the reorganization is likely to take. There is now no public interest in the bonds, so that investment is limited to the preferred and common stocks.

The book value of assets shows that there is a very big equity back of the capital stock, while reports of other years indicate that substantial dividends have been earned and paid.

The plans of reorganization brought forward to date have all provided for a marked reduction in the equity going to the preferred and common shareholders.

### One Reason For Buying

Purchase of either the common or preferred at this time naturally would be predicated on the belief that when the reorganization is carried out the equity apportioned to these 2 classes of security holders will be greater than the value indicated by market quotations.

The market places a value of 42 on the preferred and 4 on the common—a depreciation in the equity of the preferred by 68% and of 96% in the case of the common.

No one can say at this time what a reorganization is likely to do to the holdings of the preferred and common shareholders The common stock is in the weaker position and for that reason the most highly speculative. As for the preferred there is the possibility that in a reorganization, holders of this stock will be given more than 42% of the value of their holdings in equity.

### Plenty of Equity

As at the end of last March the liabilities of the company ranking ahead of the preferred totalled over $20.3 millions. Another $5 millions would be needed to give the company sufficient working capital, raising the total to $25 millions, against which the company has productive assets valued at least at $50 millions.

Naturally those responsible for the new capital will demand all of the equity or as large a share as they possibly can secure with the approval of the interested parties.

### Advantages in Delay

The compensation given in the way of equity to the new capital will decrease as the position of the company improves. It is for that reason that many would like to see the reorganization put off as long as possible in view of the brighter prospects for the industry as a whole.

While Pacona and associates might like to see an early reorganization, there are other factors in the situation fighting to protect the interests of the shareholders.

### Reasons For Optimism

Holders of the preferred stock are highly organized and already have blocked attempts to effect a reorganization because the equity offered to them was considered too small. There is not likely to be any let down of this opposition until sponsors of the reorganization meet their terms which call for practically full recognition of claims, i.e., dollar for dollar without taking into consideration arrears of dividends.

The position of the preferred is further strengthened by the fact that the majority of the common shares are held in strong hands. This stock represents an investment to the holders of a great deal more than $4 a share—the present market value—and they are not likely to agree to any reorganization which does not give them a substantial share of the equity. Naturally if the holders of the common are successful in securing what they consider fair treatment, then the holders of the preferred will benefit as their claim ranks senior to the common.

While the outcome of the anticipated reorganization cannot be foreseen, the preferred stock of Price Bros. represents an interesting gamble, with the possibility that the holders will secure a share in the rehabilitated property worth more than the present market value of the stock.


STOCKS LISTED AND UNLISTED BONDS

**Hambly, Peaker & Trent**

*Members*
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

NORANDA

Our analysis of Noranda Mines, Limited, issued periodically since 1926, has been revised to include recent information on the Company. Copies available on request.

**Greenshields & Co**
*Members Montreal Stock Exchange*
*Montreal Curb Market*
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
63



ARROWHEAD GOLD MINES LIMITED
(No Personal Liability)
Latest Information on Request

DUNCANSON, WHITE & CO.
Members Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb (Associate)
15 KING STREET WEST, TORONTO. WA. 3401-8.



COTTON FABRICS
AND YARNS

DOMINION TEXTILE
COMPANY, LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER



CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto



THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED — DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000


## The Western Savings and Loan Association

**STATEMENT OF CONDITION**

**As at June 30, 1936**

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash on hand and in banks . | $ 47,896.00 | Terminating certificate holders and accrued interest to July 15th, 1936 ............ | $ 782,239.74 |
| Dominion, provincial and municipal bonds ........ | 514,253.19 | SURPLUS in favour of certificate holders .. | 240,491.87 |
| Accrued interest on bonds . | 6,409.60 | | |
| Mortgages, less reserve .... | 417,301.50 | | |
| Certificate loans including prepaid interest $1,742.76 | 36,532.92 | | |
| Furniture and fixtures less depreciation .......... | 338.40 | | |
| | $1,022,731.61 | | $1,022,731.61 |

Examined and reported as correct as shown by the books.

Winnipeg, Manitoba,
July 17th, 1936.

W. D. LOVE & CO.,
Chartered Accountants.

## WINNIPEG ELECTRIC COMPANY

*To the Holders of:*

**WINNIPEG ELECTRIC COMPANY**
6% Refunding Mortgage Bonds and 5% Refunding Mortgage Debenture Stock

**MANITOBA POWER COMPANY LIMITED**
First Mortgage 5½% Sinking Fund Gold Bonds Series A and Series B

**NORTHWESTERN POWER COMPANY LIMITED**
6% First Mortgage Sinking Fund Convertible Gold Bonds Series A and Scrip Certificates

**THE WINNIPEG, SELKIRK AND LAKE WINNIPEG RAILWAY COMPANY**
5% First Mortgage Gold Bonds

**THE SUBURBAN RAPID TRANSIT COMPANY**
First Mortgage 30-Year 5% Gold Bonds

NOTICE is hereby given that pursuant to the General Plan of Consolidation and Readjustment of the above-mentioned Companies dated the 15th day of May, 1935, the issue of the new securities will be made on the 8th day of September, 1936, and the exchanges effected on and after that date in accordance with the following regulations which have been made as provided for in the said General Plan.

**REGULATIONS**

1. Bonds, Debenture Stock Certificates and Scrip Certificates may be deposited for exchange as follows:

(a) **Winnipeg Electric Company 6% Refunding Mortgage Bonds, at the offices of:**
MONTREAL TRUST COMPANY, 511 Place d'Armes, Montreal; 61 Yonge Street, Toronto; 218 Portage Avenue, Winnipeg;
AGENCY THE ROYAL BANK OF CANADA, 68 William Street, New York, U.S.A.

(b) **Winnipeg Electric Company 5% Refunding Mortgage Debenture Stock at the offices of:**
THE BRITISH EMPIRE TRUST COMPANY LIMITED, Stafford House, 14-20 King William Street, London, E.C. 4, England;
A. J. MITCHELL & CO., LIMITED, 1610, 25 King Street West, Toronto.

(c) **Manitoba Power Company Limited First Mortgage 5½% Sinking Fund Gold Bonds, Series A and Series B, at the offices of:**
MONTREAL TRUST COMPANY, 511 Place d'Armes, Montreal; 61 Yonge Street, Toronto; 218 Portage Avenue, Winnipeg;
AGENCY THE ROYAL BANK OF CANADA, 68 William Street, New York, U.S.A.

(d) **Northwestern Power Company Limited 6% First Mortgage Sinking Fund Convertible Gold Bonds, Series A and Scrip Certificates, at the offices of:**
THE ROYAL TRUST COMPANY, 105 St. James Street West, Montreal; 59 Yonge Street, Toronto; 436 Main Street, Winnipeg;
THE AGENCY BANK OF MONTREAL, 64 Wall Street, New York, U.S.A.

*NOTE.—Holders of Certificates of Deposit representing the above-mentioned Northwestern Bonds will receive instructions by mail from the Bondholders' Committee as to carrying out the exchanges.*

(e) **The Winnipeg, Selkirk and Lake Winnipeg Railway Company 5% First Mortgage Gold Bonds at the office of:**
NATIONAL TRUST COMPANY LIMITED, 20 King Street East, Toronto.

(f) **The Suburban Rapid Transit Company First Mortgage 30-Year 5% Gold Bonds, at the office of:**
THE ROYAL TRUST COMPANY, 105 St. James Street West, Montreal.

2. All Bonds, Debenture Stock Certificates and Scrip Certificates deposited for exchange must be accompanied by a letter of transmittal in the appropriate approved form, copies of which are being mailed to all known security holders and are available on application in person or in writing at the offices where the particular exchange may be made. For convenience all forms may also be obtained from The British Empire Trust Company, Limited, at its above-mentioned office, from Montreal Trust Company, 6 Lothbury, London, E.C. 2, England, and from The Royal Trust Company, 3 St. James' Square, London, S.W. 1, England. Some time must elapse between the deposit for exchange and delivery of the New Securities, Certificates and Cheques.

3. Should a holder of Bonds or Debenture Stock desire to receive on exchange Debenture Stock in exchange for Bonds or vice versa or Bonds in form or denomination different from those presently held, he must elect in the letter of transmittal the form and denominations in which he wishes the new securities to be issued. No Bonds will be issued or registered in the United Kingdom by The British Empire Trust Company, Limited, unless the security holder desiring such Bonds first pays to The British Empire Trust Company, Limited, all stamp duties payable on the issue or registration of such Bonds. In default of such election, securities issued in exchange will in so far as possible be issued in the same forms and denominations as those presently held.

4. In paying interest all taxes required under the laws of the Dominion of Canada, the United Kingdom of Great Britain and Northern Ireland or the United States of America to be deducted at the source will be deducted and the holder will be advised of the amount thereof.

5. In case of the exchange of registered Bonds and Debenture Stock the new Bonds or Debenture Stock Certificates, Share Certificates and Cheques will be issued to the registered holder of the deposited Bonds or Debenture Stock unless proper forms of transfer are deposited with the Bonds or Debenture Stock Certificates with endorsement guaranteed in the usual way and all necessary Transfer Taxes paid. In no other case is it necessary to file a form of transfer.

6. In case of the exchange of bearer Bonds, Share Certificates and Cheques will be issued to the person depositing the Bonds.

7. In all cases Contingent Certificates, Fractional Share Certificates and Certificates of Interest will be issued in bearer form.

8. All Bonds (other than those of The Winnipeg, Selkirk and Lake Winnipeg Railway Company and The Suburban Rapid Transit Company), Debenture Stock Certificates and Scrip Certificates deposited for exchange will be forthwith cancelled by the Depository.

DATED this 1st day of September, 1936.

MONTREAL TRUST COMPANY.

**Note.—Holders of Preferred and Common Shares of Winnipeg Electric Company are being notified by mail to exchange their present Share Certificates for New Share Certificates in accordance with the provisions of the Plan.**

## Bank Chat

### Reticulation

HOW many bankers realize they are in the reticulation business? At any rate this is the word used by a New Zealand banking authority to describe the primary service of the bank in the community. This, he says, "consists in offering a commercial reticulation system—a series of channels through which money may be pumped to any corner of the country to carry out all the business of life."

Our office dictionary tells us that the verb reticulate means "to divide or be divided in fact or appearance into a network; to arrange or be arranged in full squares or with intersecting lines."

The last part of the definition sounds rather like a crossword puzzle but at any rate a map of Canada showing nothing but the 4,000 or more branch banks throughout the Dominion is probably about as nice a piece of reticulation as there is anywhere in the world.

• • •

### New Prospects

FROM Memphis, Tenn., comes the story that Tony Foropoulos, aged 10, borrowed 10 cents from the local bank to go to a movie and repaid it 4 days later with one cent interest. The payment came out of his weekly allowance.

Tony was apparently well versed in banking lore for he is said to have offered his toy pistol as collateral.

Which reminds us that R. M. Haultain, author of "How to Make Your Business Live" has written an interesting article on the financial education of young sons. One of the points he stresses is the need for a father getting his young offspring away to a good start as far as the bank manager is concerned. In the example used by Mr. Haultain the contact started at the age of 8. This should be a profitable lead for many community bankers to follow.

• • •

### Success Secrets

SOMEWHERE down in Kentucky a 65-year-old bank president has just authorized a 100% stock dividend to shareholders in his bank.

"During hard times, when banks were busting all around us," says this official, "we had money brought in 3 times by armored truck and airplane, piled the money on the counter and told the people to come in and write their cheques if they wanted to. Each time our deposits increased."

This banker attributes the success of his institution to careful investment policies and also to the fact that no bank in his county had ever paid interest on deposits.

Canadian banks will agree with the first criterion, and if deposit rates keep dropping as they have been they will shortly be able to agree with the latter.

## Bank of Canada Weekly Statement

A gain of $6.4 millions in government deposits and of nearly $3 millions in bank deposits is shown in the August 26 statement of Bank of Canada. This increase in liabilities is reflected in a gain of $5.5 millions in the bank's U. S. reserve funds and in a sharp increase in sterling reserve which rose from $127,562 the previous week to $1.8 million.

Comparative figures follow:

**Balance Sheet**

| | Aug. 26 $ | Aug. 19 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in cir. | 104,559,257 | 103,667,480 |
| Rest fund | 173,092 | 173,092 |
| Dep.: Dominion | 29,727,264 | 23,325,567 |
| Banks | 183,533,793 | 180,704,438 |
| Other | 452,038 | 625,367 |
| Total deposits | 213,713,095 | 204,655,372 |
| All other liabs. | 2,773,828 | 4,594,940 |
| Total liabs. | 326,219,271 | 318,090,884 |
| **Assets** | | |
| Reserve: Gold | 179,511,978 | 179,446,785 |
| Silver bullion | 1,822,463 | 1,822,463 |
| Res. in sterling | 1,831,477 | 127,562 |
| Res. in U. S. | 25,206,373 | 19,654,767 |
| Res. elsewhere | 5,673 | 3,104 |
| Total reserve | 208,382,964 | 201,054,681 |
| Subsidiary coin | 228,567 | 212,372 |
| Advances | 3,000,000 | 3,000,000 |
| Investments: | | |
| Dom. govt. short | 31,030,950 | 30,664,198 |
| Other Dom. govt. | 79,535,822 | 80,141,877 |
| Total invest. | 110,626,772 | 110,806,075 |
| Premises | 253,269 | 253,269 |
| All other assets | 3,727,699 | 2,764,487 |
| Total assets | 326,219,271 | 318,090,884 |
| Reserve ratio | 65.47% | 65.21% |

## Staff Changes

The Bank of Montreal announces the following staff changes:

A. D. HORNE, from Mount Royal and St. Lawrence, Montreal, to be manager at Beaver Hall branch, Montreal.

D. M. McGOUN, manager, Beaver Hall branch, Montreal, to be manager at Lachine.

J. B. FOOTE, accountant, at Sarnia, Ont., to be manager at Highgate, Ont.

W. FAIRBAIRN, Superintendent's Department, Winnipeg, Man., to be manager at Wynyard, Sask.

E. AQUILON, manager at Wynyard, Sask., to be manager at Magrath, Alta.

E. A. ROLSTED, manager at Magrath, Alta., to be manager at Camrose, Alta.

J. G. ROBINSON, manager at Camrose, Alta., to be manager at Renfrew, Ont.

H. V. LITTLER, accountant at Prince George, B.C., to be manager at Stewart, B.C.

W. WRIGHT, manager, Stewart, B.C., to be manager at Kaslo, B.C.

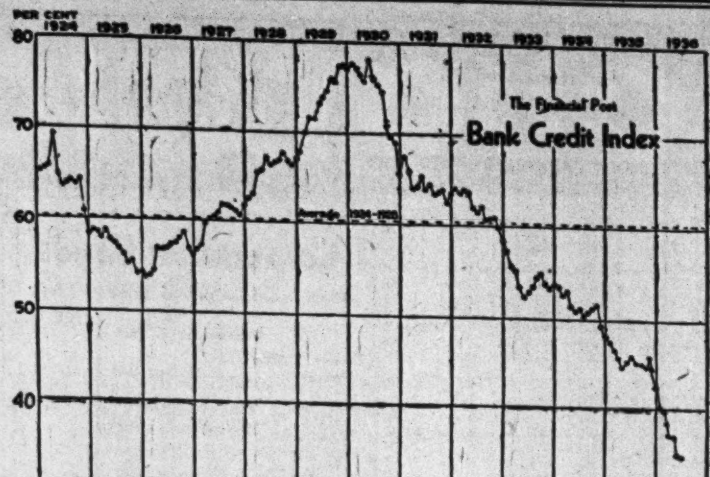
V. G. FIELD, manager, Kaslo, B.C., to be manager, Saltcoats, Sask.

## Montreal Exchange Lists Dominion Bonds of 1966

MONTREAL. — Montreal Stock Exchange has listed $54.7 millions of Dominion of Canada 3¼% bonds, due June 1 1936, and callable on or after June 1, 1956.

The listing is made up of $20 millions in new money and $34.7 millions which represent conversions of issues maturing in 1936.

United States Fidelity & Guaranty Company TORONTO




### IDLE CREDIT

The monthly credit index of Canadian chartered banks compiled regularly by The Financial Post dropped to a new low mark in June, according to the government statement released last week.

The index is simply the ratio of call and current loans in Canada to deposits. Commercial loans in Canada are now at the lowest point since 1910 as shown in a story elsewhere on this page.

# Loans to Business Lowest in 26 Years

## Needs of Industry at Point Not Reached Since 1910, Bank Statement Reveals

The most striking news in the monthly bank statement is the alarming manner in which the commercial loan requirements of the country as measured by current loans, continue to shrink.

The decrease for June of $7.6 millions, which though less than the drop of $40.3 and $25.7 millions in May and April, now brings total loans outstanding to below the $650 millions mark—the lowest point reached by this item since midsummer of 1910. Loans are now 20% less than at this time a year ago and are 56% below the 1929 peak.

The bank's holding of government and other securities showed a net decline for the month although the total of long-term government bonds and other public securities is still higher by 51% than at this time last year.

Comparative figures follow:

| | July, 1936 $ | June, 1936 $ | Change $ | July, 1935 $ | Change $ |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Immediately Available Liquid Assets** | | | | | |
| Canadian coin | 5,421,729 | 5,309,562 | +112,167 | 6,075,215 | —653,486 |
| Bk. of Can. notes | 36,024,280 | 34,934,408 | +1,089,872 | 33,065,971 | +2,958,309 |
| Bk. of Can. deposits | 185,883,803 | 189,463,016 | —3,579,213 | 169,916,594 | +15,967,209 |
| Bank's cash | 227,329,812 | 229,706,986 | —2,377,174 | 209,057,780 | +18,272,032 |
| Other bank notes | 5,687,762 | 8,110,906 | —2,423,144 | 6,903,577 | —1,215,815 |
| Gold & sub. coin ab'd. | 11,519,002 | 11,395,440 | +123,562 | 8,336,203 | +3,182,799 |
| Foreign banks | 94,950,543 | 93,154,086 | +1,796,457 | 110,878,019 | —15,927,476 |
| Foreign curr. | 25,508,551 | 25,061,442 | +447,109 | 21,327,813 | +4,180,738 |
| Gov. sec. short term | 408,536,317 | 404,622,427 | +3,913,890 | 402,805,899 | +5,730,418 |
| Do., long term | 679,188,810 | 679,522,561 | —333,751 | 444,676,070 | +234,512,740 |
| Call loans abroad | 57,608,297 | 64,422,009 | —6,813,712 | 59,932,745 | —2,324,448 |
| | 1,510,329,094 | 1,515,995,857 | —5,666,763 | 1,263,918,106 | +246,410,988 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 116,726,187 | 118,989,384 | —2,263,197 | 98,352,466 | +18,373,721 |
| Public secs.† | 53,886,698 | 54,905,435 | —1,018,737 | 38,279,280 | +15,607,418 |
| Other secs. | 99,055,975 | 110,117,918 | —11,061,943 | 46,671,796 | +52,384,179 |
| Can. call loans | 90,858,925 | 90,917,719 | —58,794 | 77,037,587 | +13,821,338 |
| Current loans | 649,772,815 | 657,429,289 | —7,656,474 | 812,622,893 | —162,850,078 |
| Loans abroad | 146,623,341 | 150,026,473 | —3,403,132 | 154,256,166 | —7,632,825 |
| Prov. loans | 17,675,809 | 16,235,060 | +1,440,749 | 17,816,145 | —140,336 |
| Mun. loans | 100,852,383 | 103,786,022 | —2,933,639 | 107,180,515 | —6,328,132 |
| | 1,275,452,133 | 1,302,407,300 | —26,955,167 | 1,352,216,848 | —76,764,715 |
| **Other Assets** | | | | | |
| Non-curr. loans | 13,463,211 | 13,494,887 | —31,676 | 14,500,125 | —1,036,914 |
| Real estate | 8,817,675 | 8,872,566 | —54,891 | 8,674,770 | +142,905 |
| Mortgages | 4,682,666 | 4,632,758 | +49,908 | 5,463,705 | —781,039 |
| Premises | 75,414,608 | 75,410,341 | +4,267 | 76,617,918 | —1,203,310 |
| Letters of credit | 63,650,414 | 62,165,272 | +1,485,142 | 57,968,367 | +5,682,047 |
| Loans to comp. | 9,276,685 | 9,355,647 | —78,962 | 13,024,731 | —3,748,046 |
| Other assets | 1,903,312 | 2,134,437 | —231,125 | 2,597,533 | —694,221 |
| | 177,208,571 | 176,065,908 | +1,142,663 | 178,847,149 | —1,638,578 |
| Total | 2,962,989,798 | 2,994,469,065 | —31,479,267 | 2,794,982,103 | +168,007,695 |
| Note circ. dep. | 7,015,120 | 7,059,299 | —44,179 | 6,907,025 | +108,095 |
| Int. bank bal. | 113,521,667 | 133,446,330 | —19,924,462 | 89,866,584 | +23,655,283 |
| Gross | 3,083,526,785 | 3,134,974,694 | —51,447,909 | 2,891,755,712 | +191,771,073 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 119,071,107 | 123,254,784 | —4,183,677 | 121,264,463 | —2,193,356 |
| Dom. Govt. | 18,955,535 | 40,113,035 | —21,157,500 | 16,021,367 | +2,934,168 |
| Prov. Govt. | 42,679,293 | 40,244,252 | +2,435,041 | 34,766,014 | +7,913,279 |
| **Deposits by Public** | | | | | |
| Demand dep. | 618,608,437 | 621,702,828 | —3,094,391 | 553,011,096 | +65,597,341 |
| Savings dep. | 1,493,973,647 | 1,504,792,542 | —10,818,895 | 1,427,953,729 | +66,019,918 |
| Total | 2,112,582,084 | 2,126,495,370 | —13,913,286 | 1,980,964,825 | +131,617,259 |
| Foreign dep. | 376,010,075 | 389,256,139 | —13,246,064 | 338,250,254 | +37,759,821 |
| **Due to Banks Abroad, Etc.** | | | | | |
| United Kingdom | 10,654,053 | 11,648,240 | —994,187 | 12,724,177 | —2,070,124 |
| Foreign | 31,614,338 | 32,858,378 | —1,244,040 | 24,025,048 | +7,589,290 |
| Bills payable | 1,418,967 | 1,012,563 | +406,404 | 1,345,271 | +73,696 |
| Letters of credit | 63,650,414 | 62,165,272 | +1,485,142 | 57,968,367 | +5,682,047 |
| Other liabs. | 2,527,635 | 2,628,764 | —101,129 | 2,400,566 | +127,069 |
| Total public liab. | 2,779,163,501 | 2,829,676,797 | —50,513,296 | 2,589,730,352 | +189,433,149 |
| Due bet. banks | 13,789,849 | 15,692,592 | —1,902,743 | 12,558,533 | +1,231,316 |
| **Liability to Shareholders** | | | | | |
| Dividends | 2,539,950 | 792,661 | +1,747,289 | 2,540,606 | —656 |
| Reserve | 132,750,000 | 132,750,000 | ........ | 132,750,000 | ........ |
| Capital | 145,500,000 | 145,500,000 | ........ | 145,500,000 | ........ |
| Gross | 3,073,743,300 | 3,124,412,050 | —50,668,750 | 2,882,079,491 | +191,663,809 |
| Credit index | 35.0% | 35.2% | —0.2% | 44.9% | —9.9% |

†Other than Canadian.

## Financial Advertisers Will Meet in Nashville

The Financial Advertisers Association, an international organization with headquarters in Chicago, will hold its 21st annual convention at Nashville, Tenn, September 14, 16.

The Association's membership embraces more than 375 banks, mortgage and trust companies and producers of financial advertising throughout the United States and Canada. This year's programme includes speakers on "Customer and Public Relations"; "Advertising for Banks"; "Trust Companies and Investment Houses"; "Relations with the Press"; and sessions to be led by men who are outstanding in their respective lines.

G. L. Spry, advertising manager, The Huron & Erie Mortgage Corporation and The Canada Trust Company, is Canadian director.

# Few Insurance Changes Are to be Recommended

## Insurance Superintendents at Session Lay Groundwork For Future

By STAFF REPORTER

QUEBEC. — Although lacking in any outstanding feature, the 19th annual conference of the Association of Superintendents of Insurance, held here last week, cleared up a number of contentious matters and provided the groundwork on which more far-reaching developments may be based.

Legislation to be recommended the various legislatures by the provincial superintendents as a result of the discussions at the conference is practically nil. Very little was anticipated. A uniform life insurance act was put through in all provinces except Quebec only last July, and a year ago a similar provision was made in respect to automobile insurance. While these acts are not considered perfect the changes suggested have not been regarded as sufficiently important in themselves to justify amendment.

### Relations Harmonious

Conflict between provincial and federal jurisdiction in insurance matters was mentioned only briefly in retiring president B. A. Dugal's address. There appears to be no duplication of effort between the work of the conference and that of the Dominion superintendent. Most of the companies are of the opinion that a nice balance has been attained between the supervisory bodies. The provinces in effect are content to require that every company have a Dominion certificate of registry. It is felt this is a guarantee of financial responsibility. The Dominion superintendent is thus the head of a great centralized body which is final in respect to financial solvency. The other supervisory functions are decentralized into provincial jurisdictions.

The provinces, too, seem content with the present situation, so long as the federal department will register every solvent company. The matter seems quiescent at the present time, with this one feature looming as a possible source of conflict.

### No Fire Changes

No recommendations for amendments arose from conference discussions on fire insurance legislation. Certain minor changes were mutually agreed on by the superintendents but not for amendment at the next session of the respective legislatures. These included changes in wording of some of the statutory conditions, inclusion of unused postage stamps in the category of risks not insured by an ordinary policy, and similar items which were unopposed.

In respect to the more important provisions dealing with misrepresentation and with "tobacco" losses, the position is unchanged. The superintendents felt that no urgent reason was given for amendment, and there appeared to be no abuse arising from the present situation. They have recommended, however, that the standing committee consider the substantive law in respect to fire insurance and report to the conference next year.

The present provision regarding misrepresentation is that the policy is voided if the insured fraudulently omits to communicate any information material to the risk. In this the courts have implied the words "within the knowledge of the insured."

### Changes Viewpoint

The Toronto Board of Trade has changed its position as regards tobacco fires. Last year, it suggested there be a minimum loss payable of $15 on these fires which have had mushroom growth in recent years. It now proposes an endorsement to the policy stating that in view of a certain reduction in premium, the companies would not be liable for tobacco fire losses arising from scorching, charring, etc. With this view, the C.M.A. is in agreement.

The companies feel that they should be relieved of responsibility in such cases without the contingent reduction in premium. This type of claim is the most contentious, the hardest to handle, and, relative to the amount of loss, the most expensive, to handle. Some predicted an increase in dwelling coverage rates if relief were not offered.

The Board of Trade approved and the C.M.A. disapproved a suggestion that the companies be not liable for "loss due to the want, within the knowledge of the insured, of good and substantial chimneys, or caused by ashes or embers being deposited, with the knowledge and consent of the insured, in wooden vessels; or by stoves or stovepipes being, to the knowledge of the insured, in an unsafe condition or improperly secured."

### Life Insurance

In respect to life insurance, the superintendents are preparing a memorandum, which will be published in the proceedings of the conference, replying to Alberta and Manitoba, which reserved the right, when enacting the uniform legislation last July, to further consider some of the legislation. It further recommended that the report on licensing of agents contained in the 1935 proceedings be brought to the consideration of those provinces which had not already adopted it.

While gratification was expressed in the general sessions of the conference at the enactment of uniform legislation, representatives of the life insurance companies pointed out that in their opinion there were several points in which it might be improved. Amendments were not presented this year, however.

V. R. Smith of the Confederation Life Association, and president of the Life Insurance Officers Association, suggested consideration be given a definition for group insurance. At present group business is conducted in accordance with the New York provisions on a purely voluntary basis. If a definition were made, regulations would follow their own course as a matter of good underwriting and business policy, it was stated. There were no complaints, however, in regard to the present situation, the companies carrying on in an excellent manner, voluntarily keeping within the bounds of good practice.

Attention was drawn to a proposed amendment in one of the provinces which would entitle the agent to renewal commissions, no matter if he were still in the employ of the company or not. To this, company representatives were definitely opposed, feeling it was purely a matter to be settled between the company and the agent. The view was expressed that the suggestion would encourage raiding of agents by some companies and would hoist the cost of insurance to the policyholder.

A committee will consider these matters during the coming year, and will also deal with commissions to industrial insurance agents, and the manner in which they are paid.

### Agency Matters

In connection with the licensing and regulating of agents it was brought out at the conference that in 1936 the following provinces had adopted provisions suggested by last year's committee: On trafficking, Alberta; on privileged information, Manitoba and Alberta; on rebating, Manitoba and Alberta; on twisting, Manitoba, Saskatchewan and Alberta. This does not take into account legislation enacted previous to 1936.

At the present time, Ontario, Quebec, Manitoba and Alberta have uniform legislation on rebating; Ontario, Quebec, Manitoba, Saskatchewan and Alberta, on twisting; Ontario, Quebec, Prince Edward Island, Manitoba and Alberta on privileged information; and Ontario, Quebec, Manitoba and Alberta on trafficking. In addition, 4 other provinces have some provision, although not uniform, in regard to rebating, 2 in regard to twisting, and one privileged information.

### Underwriting Committee

A third report which evoked considerable discussion was that of the committee on interpretation and definition of underwriting powers. In principle, it was accepted by the superintendents, but the recommendations, particularly in connection with the amendment to the Insurance Act which would grant definition powers to a committee established by other than life companies writing 75% of the business were not finally accepted and the wording and method of the amendment will be decided by the superintendents. It is expected the recommendation as revised will be included in the conference proceedings.

Most of those in attendance favored the committee. Some of the superintendents, however, while approving of the objectives and principle, felt that legal authority back of them was insufficient to ensure effective operation. The amendement which would leave definitions up to the companies, with the right of appeal to the superintendent, would get around this, and at the same time would provide a means of controlling the minority not in agreement with the definition.

The C.M.A. and the Toronto Board of Trade opposed the amendment, fearing "dictatorship." Assurance was lacking, they claimed, that the public could obtain whatever coverage it desired, and that there would be no increase in cost.

The Special Committee on Accident and Sickness Insurance was given more permanent basis, and changed to a standing committee, comprising Ontario and Manitoba. It has powers to call in representatives of the insured to consider and make suggestions in respect of statutory conditions and standardization of contract wordings.

General approval was expressed by company representatives of the statements issued from time to time on overdue balances of agents. The report of the committee on credit and free insurance evil was adopted by the superintendents with the exception of a suggestion that the returns be made on a 60-day basis instead of, as at present, 90 days.

Valuation of securities will be on the same basis as in the last 5 years.

Officers elected were:

Hon. president, W. J. Major, K.C., Winnipeg.

President, Charles Heath, superintendent of insurance for Manitoba.

Vice-president, A. E. Fisher, superintendent of insurance, Saskatchewan.

Secretary-treasurer, H. D. McNairn, superintendent of insurance for Ontario.

The 20th conference of the association will be held next year the week following the Canadian Bar Association convention, and will probably be in either Toronto or Ottawa.

## No Alberta Man At Quebec Meet

Alberta's social credit policies have wide ramifications.

At the 19th annual conference of the Association of Superintendents of Insurance in Quebec, last week, no official representative of the Alberta government was in attendance. R. Andrew Smith, K.C., legislative counsel for the province was expected, but was recalled at the last moment.

Reason for his recall was not that Alberta is thinking of withdrawing from the association, but rather that the special session of the legislature to consider the myriad implications of social credit required his services in an advisory capacity.

## Weekly Bank Clearings

| | Aug. 27 1936 $ | Change Year Ago % | Aug. 20 1936 $ |
|---|---|---|---|
| Halifax | 2,002,051 | + 1.3 | 2,136,987 |
| Saint John | 1,581,013 | — 13.2 | 1,728,173 |
| Moncton | 687,454 | — 5.1 | 757,932 |
| Sherbrooke | 516,224 | + 13.2 | 566,459 |
| Quebec | 3,396,013 | + 1.4 | 3,802,391 |
| Montreal | 82,473,943 | + 17.0 | 93,018,357 |
| Ottawa | 16,863,519 | + 33.0 | 13,606,576 |
| Kingston | 517,104 | + 24.4 | 528,340 |
| Peterborough | 537,062 | + 14.7 | 644,531 |
| Toronto | 100,332,646 | + 21.4 | 114,987,653 |
| Hamilton | 3,937,294 | + 28.6 | 4,150,160 |
| Kitchener | 913,589 | — 2.8 | 1,014,135 |
| Brantford | 709,664 | + 18.2 | 809,040 |
| London | 2,467,477 | + 8.6 | 2,757,319 |
| Windsor | 2,139,336 | + 11.7 | 2,370,539 |
| Chatham | 435,011 | + 29.6 | 484,399 |
| Sarnia | 398,140 | + 6.5 | 422,891 |
| Sudbury | 1,002,478 | + 28.7 | 998,560 |
| Fort William | 722,116 | + 49.1 | 823,600 |
| Winnipeg | 59,350,829 | + 17.6 | 55,046,437 |
| Brandon | 285,577 | + 19.8 | 336,310 |
| Regina | 5,108,736 | +107.4 | 4,733,053 |
| Moose Jaw | 575,709 | + 38.6 | 662,167 |
| Saskatoon | 1,307,721 | + 17.6 | 1,522,652 |
| Prince Albert | 304,889 | + 38.3 | 345,404 |
| Edmonton | 2,989,096 | — 11.6 | 3,736,665 |
| Calgary | 4,475,452 | — 8.8 | 4,954,509 |
| Medicine Hat | 253,641 | — 0.4 | 263,299 |
| Lethbridge | 454,685 | + 6.1 | 431,562 |
| N. W'minster | 623,517 | + 34.8 | 686,258 |
| Vancouver | 14,182,082 | + 15.1 | 17,689,469 |
| Victoria | 1,550,903 | + 19.1 | 1,667,904 |

## Monthly Bank Clearings

| | August 1935 $ | August 1936 $ |
|---|---|---|
| Halifax | 9,374,771 | 9,730,237 |
| Saint John | 7,639,148 | 7,147,404 |
| Moncton | 2,937,941 | 3,022,241 |
| Sherbrooke | 2,402,922 | 2,456,042 |
| Quebec | 17,984,666 | 17,157,640 |
| Montreal | 357,951,235 | 389,421,017 |
| Ottawa | 74,554,883 | 83,077,960 |
| Kingston | 2,176,370 | 2,240,150 |
| Peterborough | 2,425,627 | 2,574,684 |
| Toronto | 423,838,530 | 454,202,273 |
| Hamilton | 15,556,196 | 17,949,582 |
| Kitchener | 4,015,230 | 4,363,914 |
| Brantford | 3,122,413 | 3,437,819 |
| London | 10,620,628 | 11,037,681 |
| Windsor | 8,479,541 | 9,679,393 |
| Sarnia | 1,951,921 | 1,799,083 |
| Sudbury | 3,250,056 | 4,169,295 |
| Fort William | 2,796,549 | 3,569,705 |
| Winnipeg | 278,034,640 | 267,781,189 |
| Brandon | 1,232,610 | 1,361,146 |
| Regina | 14,822,730 | 20,962,902 |
| Moose Jaw | 2,228,177 | 2,533,758 |
| Saskatoon | 6,077,854 | 6,231,490 |
| Prince Albert | 1,404,210 | 1,412,890 |
| Edmonton | 15,626,745 | 14,870,235 |
| Medicine Hat | 1,110,371 | 1,104,127 |
| Lethbridge | 1,925,561 | 1,943,612 |
| New Westminster | 2,413,647 | 2,932,803 |
| Vancouver | 69,472,336 | 77,117,794 |
| Victoria | 6,722,328 | 7,192,262 |

### SENIOR EXECUTIVE

W. S. Penny, appointed director of agencies for Sun Life of Canada with full charge of the world-wide agency forces of the company. Mr. Penny thus becomes a senior officer of the company with his new appointment. He was formerly in charge of the company's Canadian agency division.

Mr. Penny joined the company 24 years ago through the actuarial department. After war service he returned to agency work with the company, where he got his first taste of field work under the veteran John A. Tory, of Toronto.

He is succeeded by J. A. McAllister, of Edmonton, who becomes agency superintendent for Canada.


THERE'S A SUN LIFE POLICY FOR EVERYONE
A SALARY CONTINUANCE PLAN
MAY BE ISSUED TO PROVIDE:
• Monthly Savings for Beneficiary covering One Year or more. • Clean-up Fund (if desired) in One Sum.
• Convertible Pension at Age 60 or 65.
THE POLICY THAT PUTS A FAMILY AND THE ASSURED ON THE SUN LIFE PAYROLL
SUN LIFE of CANADA 1865 1936

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE · WINNIPEG
Splendid Agency Opportunities Available

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE — Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

Write for descriptive folder to our nearest office: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Kelowna, Victoria, Vancouver
UNDER the Northwestern Mutual plan, fire insurance protection is written at actual cost. The saving made is returned to the policyholder in the form of DIVIDENDS.
BETTER fire protection at LOWER COST
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-assessable Policies · Assets $6,000,000

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, Supreme Chief Ranger. HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.


# Position of Chartered Banks of Canada as of July 31, 1936, Shown by Monthly Returns to Minister of Finance

**LIABILITIES**

| NAME OF BANK | Notes in Circulation $ | Deposits by and Bal. Due to Dominion Government $ | Deposits by and Bal. Due to Provincial Governments $ | Advances from Bank of Canada $ | Demand Deposits in Canada $ | Savings Deposits in Canada $ | Deposits Elsewhere ▲ $ | Bal. Due to other banks in Canada $ | Due to Banks in U.K. $ | Due to Banks Elsewhere $ | Bills Payable $ | Letters of Credit outstanding $ | Other Liabilities $ | Dividends Declared and unpaid $ | Reserve Fund $ | Capital Paid Up $ | Total Liabilities $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal | 28,445,469 | 9,350,578 | 9,998,161 | ........ | 168,166,065 | 405,698,446 | 63,718,005 | 2,369,414 | 3,171,625 | 4,360,509 | 182,859 | 7,120,219 | 1,949,334 | 727,714 | 38,000,000 | 36,000,000 | 779,258,404 |
| Nova Scotia | 9,915,366 | 2,171,957 | 1,346,034 | ........ | 36,971,625 | 143,418,857 | 41,257,850 | 2,372,380 | 256,967 | 2,177,915 | 55,874 | 8,327,920 | 91,136 | 9,212 | 24,000,000 | 12,000,000 | 284,373,100 |
| Toronto | 4,771,975 | 1,062,208 | 696,336 | ........ | 31,492,933 | 72,311,140 | 606,494 | 1,019,028 | 366,148 | 1,777,049 | 727,900 | 1,490,392 | ........ | 150,674 | 9,000,000 | 6,000,000 | 131,472,282 |
| Provinciale | 3,613,152 | 39,346 | 25,062 | ........ | 5,894,370 | 35,315,860 | 143,643 | 1,255 | 411 | 43,126 | ........ | 47,448 | 1,737 | 4,149 | 1,000,000 | 4,000,000 | 50,129,564 |
| Commerce | 24,631,043 | 2,068,768 | 12,524,523 | ........ | 131,538,894 | 298,654,224 | 61,278,519 | 2,204,088 | 2,045,409 | 7,690,099 | 50,870 | 18,962,665 | ........ | 605,880 | 20,000,000 | 30,000,000 | 612,254,987 |
| Royal | 30,264,824 | 1,916,111 | 12,193,271 | ........ | 154,565,822 | 293,213,344 | 201,797,793 | 363,228 | 983,843 | 12,057,032 | 306,153 | 22,047,728 | 54,542 | 715,286 | 20,000,000 | 35,000,000 | 785,478,985 |
| Dominion | 6,063,711 | 506,741 | 1,234,142 | ........ | 32,610,088 | 70,327,943 | 3,827,425 | 2,574,407 | 235,400 | 576,840 | ........ | 3,026,355 | 258,388 | 4,652 | 7,000,000 | 7,000,000 | 135,246,098 |
| Nationale | 5,110,529 | 451,109 | 1,002,179 | ........ | 24,799,641 | 89,711,420 | 1,626,060 | 880,987 | 65,278 | 293,465 | 95,311 | 557,743 | 172,442 | 146,563 | 5,000,000 | 7,000,000 | 136,912,734 |
| Imperial | 5,936,753 | 1,331,525 | 3,659,561 | ........ | 30,747,424 | 81,813,903 | 127,980 | 1,612,148 | 419,295 | 1,204,540 | ........ | 1,008,106 | ........ | 175,820 | 8,000,000 | 7,000,000 | 143,037,059 |
| Barclays (Canada) | 318,285 | 57,192 | 24 | ........ | 1,821,575 | 3,508,510 | 1,626,306 | 392,914 | 3,109,677 | 1,433,763 | ........ | 1,061,838 | ........ | ........ | 750,000 | 1,500,000 | 15,580,057 |
| Total | 119,071,107 | 18,955,535 | 42,679,293 | ........ | 618,608,437 | 1,493,973,647 | 376,010,075 | 13,789,849 | 10,654,053 | 31,614,338 | 1,418,967 | 63,650,414 | 2,527,579 | 2,539,950 | 132,750,000 | 145,500,000 | 3,073,743,300 |

**SUPPLEMENTARY INFORMATION**

| NAME OF BANK | Capital Authorized $ | Capital Subscribed $ | Last Dividend % | *Loans to Directors and firms of which they are partners $ | Average Notes and deposits with Bank of Can. $ | Greatest amount of Notes in Circ. $ |
|---|---|---|---|---|---|---|
| Montreal | 50,000,000 | 36,000,000 | 8 | 935,192 | 87,623,401 | 30,118,011 |
| Nova Scotia | 15,000,000 | 12,000,000 | 12 | 2,478,792 | 19,744,000 | 10,419,823 |
| Toronto | 10,000,000 | 6,000,000 | 10 | 1,069,184 | 10,588,252 | 5,545,075 |
| Provinciale | 5,000,000 | 4,000,000 | 6 | 429,560 | 2,685,661 | 3,629,833 |
| Commerce | 50,000,000 | 30,000,000 | 8 | 4,111,179 | 38,437,582 | 26,179,907 |
| Royal | 50,000,000 | 35,000,000 | 8 | 1,702,688 | 37,838,814 | 31,815,887 |
| Dominion | 10,000,000 | 7,000,000 | 10 | 991,745 | 10,727,929 | 6,423,144 |
| Nationale | 10,000,000 | 7,000,000 | 8 | 189,554 | 8,338,521 | 5,110,529 |
| Imperial | 10,000,000 | 7,000,000 | 10 | 453,667 | 8,299,940 | 6,380,695 |
| Barclays (Canada) | 1,500,000 | 1,500,000 | ........ | 3,500 | 520,856 | 329,780 |
| Total | 211,500,000 | 145,500,000 | ........ | 12,365,061 | 224,804,956 | 135,952,664 |

▲ Of this amount, $32,298,154 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada.

* And loans for which they are guarantors.

**ASSETS**

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada $ | Gold and Subsidiary Coin Held Elsewhere $ | Notes of Bank of Canada $ | Deposits with Bank of Canada $ | Notes of Other Banks $ | Govt. and Bank Notes other than Canada $ | Cheques on other banks $ | Balances due from other banks in Canada $ | Due by banks in U.K. $ | Due by banks elsewhere $ | Govt. sec. short term $ | Govt. sec. long term $ | Canadian municipal securities $ | Public sec. other than Can. $ | Other bonds and stocks $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal* | 1,217,297 | 3,188,665 | 12,754,198 | 75,789,694 | 1,426,875 | 590,441 | 27,747,067 | 730 | 1,985,898 | 16,731,862 | 163,295,266 | 193,949,722 | 34,341,190 | 7,500,194 | 19,044,675 |
| Nova Scotia | 366,542 | 1,645,880 | 3,111,622 | 16,483,001 | 466,773 | 3,516,708 | 9,517,096 | ........ | 428,206 | 7,541,483 | 31,858,072 | 63,568,260 | 13,357,573 | 736,721 | 13,260,570 |
| Toronto | 217,774 | ........ | 1,455,720 | 9,707,956 | 332,045 | 96,223 | 7,111,950 | ........ | 841,449 | 2,483,596 | 8,363,809 | 42,850,857 | 7,744,073 | 36,721 | 2,830,399 |
| Provinciale | 208,567 | ........ | 648,070 | 2,009,104 | 220,770 | 71,356 | 1,930,787 | 1,653,760 | ........ | 110,634 | 1,263,054 | 8,686,627 | 9,795,115 | ........ | 3,508,361 |
| Commerce† | 872,938 | 249,789 | 3,917,989 | 27,621,116 | 847,315 | 1,149,147 | 20,395,036 | 12,809 | 793,858 | 16,513,087 | 56,274,820 | 158,045,993 | 10,812,613 | 27,597,235 | 20,638,073 |
| Royal‡ | 1,392,520 | 6,432,338 | 5,605,682 | 32,676,809 | 1,199,159 | 19,769,362 | 25,359,470 | 100 | 16,049,453 | 21,666,243 | 108,442,786 | 127,832,957 | 9,608,865 | 16,463,118 | 26,342,496 |
| Dominion | 276,858 | 677 | 1,750,893 | 11,177,486 | 333,605 | 126,141 | 5,952,998 | ........ | 292,931 | 1,473,753 | 16,127,848 | 24,622,057 | 5,522,193 | 1,247,947 | 3,953,426 |
| Nationale§ | 510,274 | 1,653 | 2,361,327 | 5,403,285 | 446,005 | 104,276 | 4,327,075 | 944,867 | 327,379 | 1,478,653 | 11,932,625 | 19,229,584 | 21,523,429 | 295,762 | 9,203,910 |
| Imperial | 356,019 | ........ | 4,340,955 | 4,682,367 | 407,715 | 83,056 | 5,953,609 | 619,759 | 602,720 | 2,146,204 | 9,642,011 | 36,049,754 | 3,887,737 | ........ | 269,090 |
| Barclays (Can.) | 2,940 | ........ | 77,824 | 332,985 | 7,410 | 1,841 | 339,217 | 1,655,537 | 3,154,357 | 328,777 | 1,336,026 | 4,352,999 | 133,399 | ........ | 4,975 |
| Total | 5,421,729 | 11,519,002 | 36,024,280 | 185,883,803 | 5,687,762 | 25,508,551 | 108,634,305 | 4,887,562 | 24,476,251 | 70,474,292 | 408,536,317 | 679,188,810 | 116,726,187 | 53,886,698 | 99,055,975 |

| NAME OF BANK | Call loans in Canada $ | Call loans elsewhere $ | Current loans in Canada $ | Current loans elsewhere $ | Loans to provincial governments $ | Loans to municipalities $ | Non-current loans $ | Real estate other than Bank premises $ | Mortgages on real estate $ | Bank Premises $ | Deposit for note circulation $ | Other assets $ | Total assets▲ $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montreal* | 5,826,881 | 21,104,568 | 119,065,277 | 9,372,193 | 1,759,537 | 36,636,171 | 3,192,195 | 703,086 | 855,956 | 14,300,000 | 1,737,019 | 270,582 | 781,516,420 |
| Nova Scotia | 8,526,015 | 2,239,467 | 66,072,585 | 16,394,761 | 96,360 | 6,427,912 | 864,289 | ........ | 100,268 | 6,883,637 | 575,313 | 2,788,746 | 285,155,791 |
| Toronto | 4,545,571 | ........ | 33,297,859 | ........ | ........ | 4,760,114 | 255,184 | ........ | 34,465 | 3,542,670 | 345,084 | ........ | 132,343,921 |
| Provinciale | 4,285,967 | ........ | 11,428,611 | ........ | ........ | 1,057,856 | 122,268 | 675,864 | 352,277 | 2,092,934 | 177,677 | 134,028 | 50,481,144 |
| Commerce† | 26,126,016 | 17,960,432 | 126,495,245 | 18,485,622 | 6,843,477 | 24,999,129 | 3,882,352 | 2,592,898 | 1,702,376 | 14,325,669 | 1,325,000 | 3,999,142 | 613,442,855 |
| Royal‡ | 21,193,484 | 11,975,492 | 172,499,914 | 101,229,504 | 1,070,458 | 10,004,341 | 3,912,214 | 2,951,627 | 819,361 | 15,869,802 | 1,625,000 | 3,478,987 | 787,519,280 |
| Dominion | 8,128,793 | 4,328,338 | 38,853,726 | 1,089,914 | ........ | 719,415 | 386,710 | 94,266 | 41,027 | 5,854,240 | 340,000 | 173,213 | 135,894,910 |
| Nationale§ | 4,878,202 | ........ | 33,369,139 | 51,347 | 2,144,809 | 9,399,036 | 343,490 | 1,527,941 | 375,546 | 6,099,961 | 391,921 | 181,941 | 137,411,193 |
| Imperial | 6,497,296 | ........ | 47,223,283 | ........ | 5,761,168 | 6,848,409 | 493,516 | 272,043 | 401,390 | 5,995,695 | 480,910 | 152,255 | 144,175,077 |
| Barclays (Can.) | 850,700 | ........ | 1,467,176 | ........ | ........ | ........ | 10,993 | ........ | ........ | 450,000 | 17,196 | ........ | 15,586,194 |
| Total | 90,858,925 | 57,608,297 | 649,772,815 | 146,623,341 | 17,675,809 | 100,852,383 | 13,463,211 | 8,817,675 | 4,682,666 | 75,414,608 | 7,015,120 | 11,179,894 | 3,083,526,785 |

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $63,650,414 letters of credit outstanding as shown in liabilities.

# STOCK AND BOND MARKET QUOTATIONS

## Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING AUGUST 31

| Range 1936 High | Low | Div R'te $ | Aug29 Y'ld % | | Sales | Last Aug. 24 | Week end. Aug. 31 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 2.50 | 1.25 | . | ... | Abitibi | 2370 | 1.60 | 1.60 | 1.50 | 1.50 |
| 13¾ | 6½ | . | ... | Do. pref. 6% | 230 | 10 | 11 | 10 | 10½ |
| 14 | 6¾ | . | ... | Do. cert. dep. | 10 | 11 | 10½ | 10½ | 10½ |
| 4½ | 4½ | . | ... | Acadia Sugar | .... | (4 bid — asked) | | | |
| 21 | 14½ | 50c | 2.4 | Acme Glove | .... | (20 bid 20¾ asked) | | | |
| 100 | 95 | 6.50 | 6.7 | Do. pref. | .... | (— bid 98 asked) | | | |
| 10 | 7½ | 40+20c | .. | Agnew Surp. | 220 | 9 | 9 | 8½ | 8½ |
| 107 | 100 | 7 | 6.6 | Do. pref. | 20 | 105¾ | 106 | 106 | 106 |
| 6 | 2 | . | ... | Alta. Pac. Gr. | .... | (2½ bid 4 asked) | | | |
| 39 | 22½ | . | ... | Do. pref. | .... | (22½ bid 24 asked) | | | |
| 3 | 2 | . | ... | Amal. Electric | .... | (1½ bid 2 asked) | | | |
| 23 | 14 | . | ... | Do. pref. | .... | (15 bid 20 asked) | | | |
| 40½ | 29¾ | 15c | ... | Amer. Cyn. B. | .... | (— bid 40 asked) | | | |
| 55 | 51¾ | 3.50 | 6.6 | Ang. C. Tel. pf. | 20 | 55 | 53 | 53 | 53 |
| 53 | 17½ | . | ... | Asbestos v. t. | 3014 | 48 | 53 | 45½ | 50½ |
| 15 | 9½ | 60c | 6 | Assoc. Brew. | 280 | 9¾ | 10 | 10 | 10 |
| 110 | 103 | 7 | 6.4 | Do. pref. | .... | (109 bid — asked) | | | |
| 8½ | 8½ | . | ... | Assoc. T. & T. | .... | (7 bid — asked) | | | |
| 51½ | 34 | . | ... | Do. pref. | 15 | 35 | 51½ | 51½ | 51½ |
| 106 | 105½ | 7 | 6.6 | Atlan. Sug., pf. | .... | (105 bid — asked) | | | |
| | | | | **B** | | | | | |
| 58½ | 51½ | 2.25 | 3.9 | Bank of Canada | 60 | 57½ | 57½ | 57 | 57 |
| 141½ | 133 | 8 | 5.7 | Bk. Can. Nat. | 27 | 141 | 141 | 141 | 141 |
| 214 | 182½ | 8 | 4 | Bk. Montreal | 624 | 198 | 200½ | 198 | 200 |
| 300 | 271 | 12 | 4.3 | Bk. N. Scotia | 179 | 281 | 281 | 279 | 280 |
| 235 | 220 | 10 | 4.5 | Bk. Toronto | 27 | 222 | 224 | 222 | 222 |
| 13½ | 6½ | 75c | ... | Barcelona | .... | (5½ bid 8½ asked) | | | |
| 17¾ | 10½ | . | ... | Bathurst Pr. | 1756 | 13 | 13 | 12 | 12½ |
| 5¾ | 3 | . | ... | Do. (B) | 15 | 4½ | 4 | 3½ | 4 |
| 4 | 1½ | . | ... | Bawlf Grain | 102 | 1½ | 1½ | 1½ | 1½ |

## Government Bonds

### Dominion of Canada Bonds

September 2, 1936

| | | | Bid Sept. 2 | Asked Sept. 2 | Approx. Yield | Bid Aug. 26 |
|---|---|---|---|---|---|---|
| †‡Dominion | 3 | 1 Mar. 1937 | 102.00 | 102.50 | ... | 102.25 |
| ‡Dominion | 5½ | 1 Dec. 1937 | 106.00 | 106.50 | .25 | 106.00 |
| Dominion | 2½ | 15 Oct. 1939 | 104.00 | 104.50 | 1.04 | 103.75 |
| Dominion | 4 | 15 Oct. 1939 | 108.50 | 109.00 | 1.06 | 108.35 |
| Dominion | 2 | 15 Nov. 1939 | 102.75 | 103.27 | .97 | 102.50 |
| Dominion | 1½ | 1 June 1940 | 101.25 | 101.75 | 1.02 | 101.00 |
| Dominion | 4½ | 1 Sept. 1940 | 111.00 | 111.50 | 1.54 | 111.00 |
| Dominion | 5 | 15 Nov. 1941 | 115.50 | 116.00 | 1.77 | 115.25 |
| Dominion | 3 | 15 Oct. 1942 | 106.25 | 106.75 | 1.84 | 106.25 |
| Dominion | 2½ | 1 June 1943 | 103.75 | 104.25 | 1.83 | 103.75 |
| Dominion | 5 | 15 Oct. 1943 | 116.50 | 117.00 | 2.39 | 116.25 |
| Dominion | 4½ | 15 Oct. 1944 | 114.50 | 115.00 | 2.46 | 114.25 |
| ▪Dominion | 2½ | 15 Aug. '43-45 | 100.50 | 101.00 | 2.35▲ | 100.50 |
| Dominion | 4 | 15 Oct. '43-45 | 110.75 | 111.25 | 2.28▲ | 110.40 |
| Dominion | 4½ | 1 Feb. 1946 | 114.50 | 115.00 | 2.69 | 114.25 |
| Dominion | 3½ | 15 Oct. '44-49 | 106.50 | 107.00 | 2.54▲ | 106.25 |
| Dominion | 4 | 15 Oct. '47-52 | 109.75 | 110.25 | 2.94▲ | 109.50 |
| Dominion | 3 | 1 June '50-55 | 102.25 | 102.75 | 2.76▲ | 102.00 |
| Dominion | 4½ | 1 Nov. '46-56 | 113.00 | 113.50 | 2.99▲ | 112.50 |
| Dominion | 4½ | 1 Nov. '47-57 | 113.00 | 113.50 | 3.10▲ | 112.50 |
| Dominion | 4½ | 1 Nov. '48-58 | 113.50 | 114.00 | 3.14▲ | 113.25 |
| Dominion | 4½ | 1 Nov. '49-59 | 113.75 | 114.25 | 3.19▲ | 113.50 |
| ▪Dominion | 3¼ | 15 Jan. '56-61 | 103.00 | 103.50 | 3.01▲ | 103.00 |
| Dominion | 3¼ | 1 June '56-66 | 103.00 | 103.50 | 3.01▲ | 102.75 |

### Dominion Guaranteed Bonds

| | | | Bid Sept. 2 | Asked Sept. 2 | Approx. Yield | Bid Aug. 26 |
|---|---|---|---|---|---|---|
| *G. T. P. Ry. | 3 | 1 Jan. 1962 | 101.75 | 102.75 | 2.85 | 101.50 |
| Can. N. Ry. | 3 | 1 May 1944 | 105.00 | 106.00 | 2.16 | 105.00 |
| Can. N. Ry. | 3 | 15 Dec. '45-50 | 101.25 | 102.25 | 2.72▲ | 101.25 |
| Can. N. Ry. | 3 | 15 Feb. '48-53 | 101.50 | 102.50 | 2.75▲ | 101.25 |
| *Can. N. Ry. | 4½ | 1 Sept. 1951 | 116.25 | 117.25 | 3.09 | 116.00 |
| *Can. N. Ry. | 4½ | 1 Feb. 1956 | 116.50 | 117.50 | 3.28 | 116.25 |
| †Can. N. Ry. | 4½ | 1 July 1957 | 115.75 | 116.75 | 3.38 | 115.00 |
| *Can. N. Ry. | 4¾ | 15 June 1955 | 118.75 | 119.75 | 3.34 | 118.50 |
| Can. N. Ry. | 5 | 1 Feb. 1954 | 120.00 | 121.00 | 3.40 | 119.00 |
| *Can. N. Ry. | 5 | 1 July 1969 | 118.75 | 119.75 | 2.75▲ | 118.00 |
| *Can. N. Ry. | 5 | 1 Oct. 1969 | 121.00 | 122.00 | 3.27▲ | 120.15 |
| *M. Harb. C. | 5 | 1 Nov. 1969 | 121.00 | 122.00 | 3.27▲ | 120.75 |

### Provincial Government Bonds

| | | | Bid Sept. 2 | Asked Sept. 2 | Approx. Yield | Bid Aug. 26 |
|---|---|---|---|---|---|---|
| **Eastern—** | | | | | | |
| N. Bruns. | 4 | 1 Sept. 1954 | 104.25 | 105.25 | 3.61 | 104.25 |
| †N. Bruns. | 4½ | 15 Apr. 1961 | 110.25 | 111.25 | 3.80 | 110.25 |
| †N. Bruns. | 5 | 15 Jan. 1960 | 115.50 | 116.50 | 3.92 | 115.25 |
| N. Scotia | 3 | 2 Sept. 1945 | 101.25 | 102.25 | 2.72 | 100.50 |
| N. Scotia | 4½ | 15 May 1943 | 110.50 | 111.50 | 2.62 | 110.00 |
| †N. Scotia | 4½ | 15 Sept. '47-52 | 112.00 | 113.00 | 3.14▲ | 111.50 |
| †N. Scotia | 5 | 1 Mar. 1960 | 119.00 | 120.50 | 3.69 | 118.50 |
| *Ontario | 4 | 1 June 1962 | 108.50 | 110.00 | 3.42 | 108.00 |
| *Ontario | 4½ | 1 Sept. 1944 | 113.00 | 114.00 | 2.56 | 113.25 |
| Ontario | 4½ | 1 June 1950 | 112.50 | 113.50 | 3.28 | 112.50 |
| *Ontario | 4½ | 15 Jan. 1962 | 116.00 | 117.50 | 3.46 | 116.00 |
| Ontario | 5 | 15 Oct. 1948 | 115.75 | 116.75 | 3.35 | 115.25 |
| *Ontario | 5 | 2 Dec. 1960 | 122.00 | 124.00 | 3.53 | 122.00 |
| Ontario | 5½ | 1 July 1946 | 117.25 | 118.25 | 3.34 | 117.00 |
| O. H. C. | 3½-4-5 | 1 Oct. '36-52 | 101.25 | 101.75 | 3.49● | 101.50 |
| Ont. Hyd. C. | 4¾ | 1 Jan. 1970 | 119.50 | 121.00 | 3.68 | 118.00 |
| P. E. I. | 3 | 1 Oct. 1945 | 100.50 | 101.50 | 2.82 | 100.50 |
| Quebec | 4 | 15 Mar. 1952 | 108.50 | 109.50 | 3.23 | 108.00 |
| Quebec | 4¼ | 1 Aug. 1958 | 111.25 | 112.25 | 3.45 | 111.25 |
| Quebec | 4½ | 2 Jan. 1963 | 113.50 | 114.50 | 3.64 | 113.25 |
| **Western—** | | | | | | |
| Alberta | 4 | 15 Dec. '49-54 | 62.00 | 66.00 | § | 62.00 |
| †Alberta | 4 | 1 Dec. 1957 | 62.00 | 66.00 | § | 62.00 |
| Alberta | 4½ | 1 Oct. 1951 | 72.00 | 76.00 | § | 72.00 |
| †Alberta | 4½ | 1 Oct. 1956 | 64.00 | 67.00 | § | 64.00 |
| †Alberta | 5 | 1 Jan. 1948 | 66.00 | 70.00 | § | 66.00 |
| Alberta | 5 | 1 Sept. 1955 | 64.00 | 68.00 | § | 65.00 |
| *Alberta | 5 | 1 Oct. 1959 | 67.00 | 69.00 | § | 67.00 |
| †Alberta | 5½ | 1 Jan. 1947 | 68.00 | 71.00 | § | 68.00 |
| Alberta | 6 | 1 Mar. 1947 | 68.00 | 72.00 | § | 69.00 |
| †Brit. Col. | 4 | 1 Dec. 1957 | 88.00 | 89.00 | 4.83 | 86.00 |
| *Brit. Col. | 4½ | 15 Jan. 1951 | 91.50 | 93.00 | 5.19 | 91.00 |
| †Brit. Col. | 4½ | 1 Oct. 1953 | 91.00 | 92.50 | 5.16 | 90.00 |
| †Brit. Col. | 5 | 15 Jan. 1948 | 95.00 | 96.00 | 5.47 | 94.50 |
| Brit. Col. | 5 | 1 Sept. 1953 | 94.50 | 96.00 | 5.36 | 94.00 |
| Brit. Col. | 5½ | 1 Feb. 1945 | 96.00 | 97.50 | 5.87 | 96.00 |
| Brit. Col. | 6 | 15 Feb. 1947 | 99.50 | 101.50 | 5.81 | 99.50 |
| Manitoba | 4 | 2 Jan. 1950 | 92.00 | 94.00 | 4.60 | 92.00 |
| †Manitoba | 4 | 1 Dec. 1957 | 93.00 | 95.00 | 4.36 | 93.00 |
| †Manitoba | 4½ | 15 Dec. 1956 | 98.00 | 99.00 | 4.57 | 97.50 |
| †Manitoba | 5 | 15 June 1954 | 100.00 | 102.00 | 4.83 | 99.00 |
| *Manitoba | 5 | 2 Dec. 1959 | 104.00 | 107.00 | 4.52 | 104.00 |
| Manitoba | 5½ | 1 Oct. 1955 | 99.00 | 101.00 | 5.42 | 99.00 |
| Manitoba | 6 | 1 Apr. 1947 | 100.50 | 102.00 | 5.75 | 100.00 |
| Sask. | 4 | 15 Aug. 1953 | 76.00 | 78.00 | 6.10 | 76.00 |
| Sask. | 4 | 1 Nov. '55-60 | 74.00 | 76.00 | 5.86 | 74.00 |
| *Sask. | 4½ | 2 July 1945 | 86.00 | 89.00 | 6.10 | 86.00 |
| †Sask. | 4½ | 1 Oct. 1951 | 84.00 | 86.00 | 5.89 | 84.50 |
| †Sask. | 4½ | 15 Mar. 1960 | 80.00 | 83.00 | 5.97 | 82.00 |
| Sask. | 5 | 1 Aug. 1958 | 84.00 | 86.00 | 6.17 | 84.50 |
| †Sask. | 5½ | 15 Nov. 1946 | 90.00 | 92.00 | 6.57 | 88.00 |
| Sask. | 5½ | 1 Oct. 1952 | 85.00 | 88.00 | 6.72 | 86.00 |
| Sask. | 6 | 15 Mar. 1952 | 90.00 | 93.00 | 6.72 | 91.00 |

### Municipal Bonds

| | | | Bid Sept. 2 | Asked Sept. 2 | Approx. Yield | Bid Aug. 26 |
|---|---|---|---|---|---|---|
| †Halifax | 5 | 1 July 1961 | 114.00 | 116.00 | 3.98 | 113.00 |
| Hamilton | 5 | 1 May 1950 | 109.75 | 111.75 | 3.90 | 109.75 |
| Montreal | 5 | 1 Mar. 1945 | 103.00 | 104.00 | 4.43 | 102.00 |
| Ottawa | 4½ | 1 July 1945 | 111.50 | 113.00 | 2.85 | 111.50 |
| †Quebec | 5 | 1 June 1959 | 107.50 | 109.00 | 4.37 | 107.50 |
| Saint John | 5 | 15 Dec. 1950 | 107.50 | 109.00 | 4.17 | 107.50 |
| †Toronto | 4½ | 1 Jan. 1955 | 113.50 | 116.50 | 3.30 | 113.00 |
| †Vancouver | 5 | 15 Jan. 1950 | 85.00 | 90.00 | 6.10 | 85.00 |
| Winnipeg | 5 | 1 Mar. 1944 | 100.00 | 103.00 | 4.52 | 98.00 |

* Payable Can., N.Y. & £. ▲ Calculated to call date giving lowest possible yield. † Payable Can. & N.Y. ● Calculated to maturity although callable prior to that date. ‡ Exempt from Dominion income tax. § Traded flat. ▪ Payable in N.Y.

## Mining Stock Quotations

Week Ending August 31.

| Par Val. | Range 1936 High | Low | Company | Sales | Close Aug. 24 (or last) | High for week | Low for week | Close Aug. 31 |
|---|---|---|---|---|---|---|---|---|
| 1 | .38½ | .18 | St. Anthony | 15,000 | .26 | .27 | .25 | .25 |
| No | 4.95 | 3.00 | Sudbury Basin | 11,025 | 4.30 | 4.70 | 4.25 | 4.70 |
| 1 | .20 | .06 | Sudbury Contact | 29,880 | .17 | .16½ | .14 | .15 |
| 1 | .07½ | .03 | Sudbury Mines | 31,700 | .03¾ | .03¾ | .03½ | .03½ |

## Corporation Bonds

(Supplied by Toronto Bond Traders' Association)

September 1, 1936

| Public Utility Issues: | Int. Rate % | Due | Bid Sept. 1 | Asked Sept. 1 | Bid Aug. 25 |
|---|---|---|---|---|---|
| *Ass. Tel. & Tel. | 5½ | '55 | 87 | 90 | 86½ |
| ‡Avalon 'Phone | 5½ | '48 | 101½ | .. | 101½ |
| Beauharnois P. | 5 | '73 | 49 | 52 | 48 |
| *Bell T'phone | 5 | '55 | 115 | 118 | 115 |
| *Do. | 5 | '57 | 121 | 124 | 120½ |
| †B. C. Power | 5 | '60 | 105 | 108 | 105 |
| †Do. | 5½ | '60 | 106 | 109 | 106 |
| †B. C. T'phone. | 5 | '60 | 109 | .. | 109 |
| *Calgary Power | 5 | '60 | 100 | 103 | 99½ |
| *Do. | 5 | '64 | 96 | 99 | 96 |
| †Can. Nor. Pwr. | 5 | '53 | 104½ | 107½ | 104 |
| *Dom. Gas. & El. | 6½ | '45 | 89½ | 92½ | 89 |
| *Gatineau Pr. | 5 | '56 | 99½ | 102½ | 99 |
| *Do., A | 6 | '41 | 97 | 100 | 97½ |
| Do., B | 6 | '41 | 96 | 99 | 96½ |
| *Int'l. Hydro | 6 | '44 | 53½ | 56½ | 53½ |
| *Int'l. Pwr. | 6 | '57 | 97 | 100 | 97 |
| †Maclaren-Que. | 5½ | '61 | 86 | 89 | 86 |
| †Do. | 5½ | '64 | 85 | 88 | 84½ |
| Maritime T & T | 5 | '56 | 104½ | .. | 104½ |
| †Mtl. Island Pr. | 5½ | '57 | 104½ | 107½ | 104½ |
| †Mtl. L. H. & Pr. | 3½ | '56 | 103 | 106 | 103 |
| †Montl. Tram. | 4½ | '55 | 79½ | 82½ | 79½ |
| †Do. | 5 | '41 | 102½ | 105½ | 102 |
| †Do. | 5 | '55 | 85 | 88 | 85 |
| Nfld. L. & P. | 4½ | '58 | 99½ | 102½ | 99½ |
| Nat'l. L. & P. | 6 | '49 | 99½ | 102½ | 99 |
| †N.S. L. & P. | 5 | '58 | 105½ | 108½ | 105½ |
| Do. | 5 | '65 | 102 | .. | 102 |
| †Ottawa Light | 5 | '57 | 107½ | 110½ | 108 |
| †Ottawa Tract. | 5½ | '55 | 101½ | 104½ | 100½ |
| †Ottawa Val. Pr. | 5½ | '70 | 83 | 86 | 82 |
| †Power Corp. | 4½ | '59 | 98½ | 101½ | 98½ |
| *Quebec Pr. | 5 | '68 | 105½ | 108½ | 105½ |
| Saguenay Pr. | 4½ | '66 | 103½ | 103½ | 103½ |
| †Shawinigan | 4 | '61 | 99 | 102 | 98½ |
| †Do. | 4½ | '70 | 104½ | 107½ | 104 |
| †South. Can. Pr. | 5 | '55 | 105 | 103 | 105 |
| †United Secs. | 5½ | '52 | 85½ | 88½ | 85 |
| †West. Pwr. Co. | 5 | '49 | 105½ | 108½ | 105½ |
| *Winnipeg Elec. | 4½ | '60 | 103½ | 106½ | 103½ |
| *Do. | 6 | '54 | 88 | 91 | 87½ |
| **Industrial & Realty Issues:** | | | | | |
| †Abitibi Pwr. | 5 | '53 | 51½ | 54½ | 51 |
| Acadia Sugar | 4½ | '55 | 101½ | .. | 101½ |
| B. A. Oil | 4 | '45 | 103½ | 106½ | 103½ |
| Can. Bread | 6½ | '41 | 109 | .. | 109 |
| †Can. Cement | 5½ | '47 | 107½ | 109 | 105½ |
| †Can. Ss. Lines | 5 | '43 | 103 | .. | 103 |
| †Do. | 6 | '41 | 48 | 51 | 48½ |
| Can. Canners | 4 | '51 | 99½ | 102½ | 99 |
| Can. Bakeries | 6½ | '45 | 92 | .. | 90 |
| *Can. Int. Paper | 6 | '49 | 91½ | 94½ | 91½ |
| C. P. R. | 3½ | '51 | 95½ | 98½ | 95 |
| Do. | 4 | '49 | 102½ | 105½ | 102 |
| Do. | 4½ | '44 | 100 | 103 | 100 |
| †Can. Vickers | 6 | '47 | 92 | 95 | 90½ |
| †Cons. Paper | 5½ | '41 | 46½ | 49½ | 48½ |
| *Dom. Coal | 6 | '55 | 101 | 104 | 100 |
| Dom. Sq. Corp. | 6 | '48 | 58 | ... | 57 |
| ‡Dom. S. & C. | 6½ | '55 | 65 | 70 | 65½ |
| †Dom. Tar | 6 | '49 | 105½ | 108½ | 105 |
| Dom. Textile | 4½ | '55 | 105½ | .. | 105½ |
| †Donnacona P. | 3-4-4½ | '56 | 70 | 73 | 70 |
| †Fam. Players | 4½ | '51 | 97 | 100 | 97 |
| †Federal Grain | 6 | '49 | 94 | .. | .. |
| †Fraser Cos. | 6 | '50 | 99 | 102 | 98½ |
| †G. Steel Wares | 6 | '52 | 105 | 108 | 104 |
| *Gt. Lakes Pap. | 6 | '50 | 56½ | 59½ | 57½ |
| †Gypsum, Lime | 5½ | '48 | 99½ | 102½ | 99½ |
| †Gr. Br. & Can. Inv. | 4½ | '59 | 83½ | 86½ | 83½ |
| Ham. Cottons | 5½ | '48 | 103 | 106 | 103 |
| *Ham. B.-P. C. | 5 | '50 | 99½ | 102½ | 99½ |
| *Hinde & Dauch | 5½ | '48 | 103 | 106 | 103 |
| †Int. P. & P. N. | 5 | '68 | 102 | 105 | 102 |
| Inter. City Bak. | 5½ | '48 | 104 | .. | 104 |
| Inter-City W. B. | 6½ | '50 | 43 | 47 | 39 |
| †Lake St. John P. & P. | 6½ | '47 | 110½ | 113½ | 110½ |
| †Do. | 6½ | '42 | 78½ | 82½ | 78 |
| †Lon. Can. Inv. | 4½ | '48 | 92 | 95 | 91 |
| †Maple Leaf M. | 5½ | '49 | 65½ | 68½ | 63½ |
| †Massey Harris | 5 | '47 | 90 | 93 | 91 |
| †McColl-Front. | 6 | '49 | 106 | 109 | 105½ |
| †Mercury Mills | 5½ | '53 | 71 | 74 | 71 |
| †Mersey Paper | 6 | '49 | 97 | 100 | 97 |
| *M. & O. Paper | 6 | '45 | 36½ | 39½ | 37 |
| Nor. Ont. Bldg. | 6½ | '39 | 95 | .. | 95 |
| *Prov. Paper | 5½ | '47 | 102 | 105 | 102 |
| Queen's Hotel | 6 | '47 | 95 | 99 | 95 |
| †Restigouche Co. | 6 | '48 | 106 | 109 | 105½ |
| Rich. B. Bldg. | 6½ | '47 | 100 | .. | 100 |
| †Rolland Paper | 5½ | '48 | 105 | 108 | 104½ |
| Ruddy & Co. | 6½ | '48 | 97½ | 100½ | 97½ |
| †Simpsons Ltd. | 6 | '49 | 105½ | 108½ | 105 |
| †Smith, Howard | 5½ | '53 | 106 | 109 | 105 |
| †Steel of Can. | 6 | '40 | 113 | 116 | 113 |
| Sterling Coal | 6 | '40 | 86½ | .. | 86½ |
| Stop & Shop | 6 | '47 | 54 | .. | 52 |
| Twin City Rapid Tr'sit | 5½ | '52 | 88 | 91 | .. |
| United Amuse. | 5 | '56 | 98½ | 101½ | 98½ |
| United Corp. | 5 | '53 | 95 | 98 | 95 |
| Union Gas | 4½ | '43-50 | 96½ | 99½ | 96½ |
| Zimmerknit | 6 | '51 | 99 | 102 | 98 |

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

## Unlisted Mines

September 1, 1936

| | Bid | Asked |
|---|---|---|
| Albany River | .65 | .67 |
| Algold | .. | .46 |
| Ardeen | .24 | .28 |
| Area | .05½ | .06½ |
| Arrow Head | .40 | .42 |
| Adanac Que. | .32 | .35 |
| Bathurst (new) | .05¾ | .06¾ |
| Ballor | .05½ | .06½ |
| Bankfield Gold | .70 | .72 |
| Blue Star | .31 | .33 |
| Bousquet Gold | .11 | .13 |
| Big Long Lac | .05 | .06 |
| Brae Breest | .35 | .37 |
| Brengold | .24 | .26 |
| Callinan Flin Flon | .15 | .17 |
| Canadian Pandora | .12 | .13 |
| Candalaca | .26 | .28 |
| Capital Rouyn | .26 | .29 |
| Coin Lake | .35 | .38 |
| Columario (new) | .. | .04 |
| Cons. Goldfields | .. | .47 |
| Cuniptau | .35 | .38 |
| Casey Contact | .05 | .06 |
| Casey Summit | .25 | .28 |
| Darkwater | .95 | .98 |
| Darwin | .45 | .48 |
| Delwood | .. | .20 |
| Dunlop (new) | .14 | .16 |
| Dorval Siscoe | .46 | .48 |
| Dupont Hodgson | .31 | .33 |
| Elmos | .. | .40 |
| Empress Cons. | .44 | .46 |
| Falkenham | .50 | .55 |
| Frontier R. Lake | .23 | .25 |
| Garnet | .03 | .04 |
| Gateway Pat. | .18 | .20 |
| Gilmour Units | 6.00 | 8.00 |
| Gillies Lake | .42 | .45 |
| Gold Eagle | 1.85 | 1.90 |
| Goldside | .19 | .21 |
| Golden Gate | .36 | .38 |
| Gordon Lebel | .35 | .39 |
| Gilbec | .05 | .06 |
| Horseshoe | .06 | .07 |
| Hudson Patricia | .20 | .22 |
| Jellicoe | .17 | .19 |
| Johnson Nipigon | .06 | .07 |
| Kaw Crow | .17 | .19 |
| Kerr Addison | .26 | .28 |
| Kert McDonald | .27½ | .30 |
| King Kirkland | .04 | .05 |
| Lamaque | 7.25 | 7.75 |
| Lafayette | .04 | .05 |
| Lappa Cadillac | .39 | .41 |
| Leitch gold | .77 | .80 |
| Lake Rose | .53 | .56 |
| Manitoba Basin (new) | .06¾ | .07¾ |
| Margaret | .. | .20 |
| Madsen Red L. | 1.29 | 1.34 |
| Magnet Lake | .10 | .12 |
| Martin McNeely | .22 | .25 |
| Matachewan Can. | .20 | .22 |
| Matalac | .. | .18 |
| McAndrew | .33 | .36 |
| McCarthy Webb | .44 | .46 |
| McLellan | .27 | .30 |
| Mosher | .59 | .62 |
| Moffatt Hall (new) | .27 | .29 |
| Murmac | .. | .12 |
| North Shores | .06 | .07 |
| Oklend | .33 | .35 |
| Old Diamond units | 16.00 | 18.00 |
| O'Leary | .18 | .19 |
| Opemiska Cap. | .95 | 1.05 |
| Oriole | .07 | .08 |
| Ormond | .33 | .35 |
| Otisse L. L. | 7.00 | 9.00 |
| Paulore | .35 | .37 |
| Porcupine Gold R. | .02 | .03 |
| Porcupine Lake | .39 | .41 |
| Prescor | .. | .35 |
| Pascalis | .19 | .21 |
| Queen Lebel | .10 | .12 |
| Red Crest | .. | .85 |
| Ricard Ramour | .79 | .82 |
| Richmac | .31 | .33 |
| Roeanor | .27 | .30 |
| Rubec | .11 | .12 |
| Salmo Malartic | .21 | .23 |
| Sand River | .38 | .40 |
| Schreiber | .13 | .15 |
| Skookum | .27 | .30 |
| Smelter Gold | .09 | .11 |
| South Keora | .14 | .16 |
| Spooner | .27 | .30 |
| Springer | .12 | .14 |
| Sturgeon R. Gold | .. | .40 |
| South Mackenzie | .28 | .30 |
| Tonawanda | .13½ | .15 |
| Upper Can. | .26 | .28 |
| Wendigo | .19 | .21 |
| West-Side | .14 | .16 |
| W. Red Lake | .20 | .23 |
| White Horse | .17 | .19 |
| Young Davidson | .20 | .22 |
| Young Shannon | .20 | .22 |

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

September 1, 1936

| | Bid | Asked |
|---|---|---|
| **Industrial Stocks:** | | |
| Acadia Sugar, com. | 4.00 | 4.50 |
| Do., pfd. | 4.95 | 5.25 |
| Acme Farmers Dairy, pfd. | 43.00 | ... |
| Algoma Steel, new pfd. | 50.00 | 55.00 |
| Andian National | 43.50 | 45.00 |
| Assoc. Tel. & Tel. pfd. | 50.00 | 53.00 |
| B. C. Pulp & Paper, pfd. | 10.50 | 13.00 |
| Burns & Co., A | 8.00 | 10.00 |
| Do., B | 5.50 | 6.25 |
| Canada & Dom. Sugar | 59.25 | 60.00 |
| Canada Paper, pfd. | 110.50 | 116.00 |
| Canada Starch, pfd. | 91.00 | 95.00 |
| Canada Tea, pfd. | 30.50 | ... |
| Canada Tube, 1st pfd. | 51.00 | ... |
| Can. Wire & Cable, pfd. | 109.00 | 111.50 |
| Can. Industries, A com. | 215.00 | ... |
| Do., B com. | 214.00 | 218.00 |
| Do., pfd. | 161.50 | 164.00 |
| Can. Ingersoll Rand | 118.00 | ... |
| Can. Westinghouse | 58.00 | ... |
| Chase, A. W., pfd. bonus | 25.00 | 28.00 |
| Claude Neon, pfd. | 3.00 | 4.00 |
| Conduits Nat., new com. | 2.40 | 2.85 |
| Dom. Found. & Steel, com. | 53.00 | 57.00 |
| Do., pfd. | 95.00 | 98.00 |
| Dominion Rubber, pref. | 97.00 | ... |
| Dunlop Tire, pfd. | 87.00 | 92.00 |
| Eastern Dairies, pfd. | 7.00 | 9.00 |
| Edm. City Dairy, pfd. | 60.50 | ... |
| Federal Grain, com. | 1.25 | 2.25 |
| Do., pfd. | ... | 47.00 |
| Goderich Elevator | ... | 9.50 |
| Greening Wire, pfd. | 108.00 | ... |
| Guelph Carpet, pfd. | 105.50 | 107.00 |
| Do., com. | 18.25 | 20.00 |
| Highland Dairy, com. | 3.35 | 3.75 |
| Do., pfd. | 80.50 | ... |
| Inter City Baking, com. | 30.50 | 35.00 |
| Inter. Met. Indust. A pfd. | 49.00 | 53.00 |
| McLaren Pwr. & Paper, com. | 15.00 | 16.00 |
| N. Meth. Laund., pfd. bonus | 77.00 | 81.00 |
| Ont. Tobacco Plant, pfd. | 45.00 | 55.00 |
| Provincial Paper, pfd. | 105.00 | 107.00 |
| Reliance Grain, pfd. | 77.00 | 81.00 |
| Rob. Consol. Cone | 9.50 | 10.25 |
| Ruddy, E. L., pfd. | 35.50 | 40.00 |
| Silverwood's Dairies, pfd. | 56.50 | ... |
| Std. Fuel, pfd. bonus | 108.50 | ... |
| Supertest Pet., B pfd. | 28.50 | 30.00 |
| Toronto Carpet, pfd. | 38.00 | 40.00 |
| United Steel, A pfd. | 8.00 | 9.00 |
| Western Grain, pfd. bonus | ... | 14.00 |
| Willards Chocolates, pfd. | 22.00 | ... |
| **Trust & Loan Stocks:** | | |
| Chartered Trust | 84.00 | 87.50 |
| Guelph Ont. Inv., par $50 | 52.50 | ... |
| London & West. Trust | 54.50 | 59.00 |
| Premier Trust | 98.50 | ... |
| Prudential Trust | 3.50 | ... |
| Sterling Trust | 31.00 | 35.00 |
| Traders Fin. Inc. Rts. | 10.50 | ... |
| Traders Fin., B pfd. bonus | 84.00 | 87.50 |
| Trusts & Guarantee | 31.00 | 34.00 |
| Waterloo Trusts | 96.00 | ... |
| **Insurance Stocks:** | | |
| British America | 47.00 | ... |
| Canada Life | 525.00 | 533.00 |
| Canadian Fire | 75.00 | 79.00 |
| Canadian Ins. Shares | 11.00 | 13.00 |
| Confed. Life 20% pd. | 114.00 | 117.00 |
| Continental Life 20% pd. | 38.50 | 41.00 |
| Crown Life | 160.00 | ... |
| Dominion Fire | 120.00 | 130.00 |
| Dominion Life 50% pd. | 261.00 | 300.00 |
| Dom. of Can. Gen. | 122.00 | 130.00 |
| Empire Life 25% pd. | 8.00 | 9.00 |
| Excelsior Life 30% pd. | 70.00 | ... |
| Federal Fire 25% pd. | 39.25 | ... |
| Fidelity Ins. of Can. | 46.00 | ... |
| Great West Life | 380.00 | 395.00 |
| Guar. of N.A. fully pd. | 277.00 | ... |
| Halifax Fire | 23.00 | 24.00 |
| Imperial Life | 350.00 | ... |
| Manufacturers Life | 256.00 | 265.00 |
| Monarch Life 10% pd. | 20.50 | 22.00 |
| National Life 25% pd. | ... | 48.00 |
| Sovereign Life 25% pd. | 17.00 | 19.00 |
| Sun Life | 450.00 | 475.00 |
| Toronto General | 4.50 | 6.00 |
| Western Assur., com. | 45.00 | 47.00 |
| Do., pfd. | 40.50 | 44.00 |
| **Theatre Stocks:** | | |
| Allens Beach, pfd. | 63.00 | 68.00 |
| Do., Kingston, pfd. | 63.00 | 70.00 |
| Do., Parkdale, pfd. | 61.00 | ... |
| Do., Toronto, pfd. bonus c. | 28.00 | ... |
| Eastern Theatres, pfd. | 75.00 | 80.00 |
| Loew's Buffalo, pfd. | 3.00 | 4.00 |
| Do., London, pfd. | 2.75 | 3.50 |
| Do., Toronto, pfd. | 112.50 | ... |
| Mansfield Theatre, pfd. | 29.00 | 31.50 |
| Paramount Kitchener, pfd. | 46.00 | ... |
| Do., Oshawa, pfd. | 87.00 | 95.00 |
| United Amusement, A | 17.00 | 20.00 |
| Do., B | 15.00 | 17.00 |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 8.40 | 8.65 |
| Can. Int. Inv. Trust Units | 61.25 | 63.00 |
| Can. Investors Corp. | 7.00 | 7.75 |
| Cons. Div. Std. Sec. Units | 14.25 | 15.50 |
| Corporate Investors | ... | 7.50 |
| Debenture & Sec., pfd. | 66.00 | ... |
| Dom. Scott. Invest. Units | 36.50 | 38.50 |
| Foreign Power Sec., pfd. | 6.25 | 8.00 |
| Invest. Foundation Units | 55.00 | 58.00 |
| Sec. Holding Units | 24.00 | 26.50 |
| United Corpns., A | 23.00 | 24.00 |
| Do., B | 7.75 | 8.50 |
| **Power Issues:** | | |
| Calgary Power, pfd. | 81.00 | 83.00 |
| Can. Light & Power, com. | ... | 20.50 |
| Can. West. Nat. Gas, pfd. | ... | 89.00 |
| Do., com. | 24.00 | 26.00 |
| Great Lakes Pwr., pfd. | 98.50 | ... |
| Inter. Util., 7.00 pfd. | 88.00 | ... |
| Nor. Ont. Power, pfd. | 102.25 | 103.50 |
| Nova Scotia L. & P., pfd. | 102.00 | 104.00 |
| Do., com. | 84.25 | 86.00 |

## Mining Dividends

| | Rate | Close Aug. 31 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 20c | 6.50 | .. |
| Beattie Gold | †5c | 1.36 | .. |
| Bralorne | 20c+10c | 7.60 | .. |
| Buff. Ankerite | 20c | 8.10 | 2.5 |
| Bulolo Gold | ‡1.40 | 29.00 | .. |
| Cariboo | 10c | 1.95 | 5.1 |
| Central Patricia | †4c | 4.00 | .. |
| Coniagas | †12½c | 3.25 | .. |
| Cons. Smelters | 50c | 54.00 | .. |
| Dome Mines | $2+$2 | 58.50 | 6.8 |
| Falconbridge | 30c | 9.60 | 3.1 |
| Hollinger | 65c+20c | 14.12 | 5.7* |
| Howey Gold | 2c | .90 | .. |
| Hudson Bay | 50c | 24.50 | .. |
| Island Mountain | †5c | 1.28 | .. |
| Int. Coal & Coke | ‡1c | .21 | .. |
| Inter. Mining | 60c | 11.50 | 5.2 |
| Int. Nickel, c. | $1.40 | 54.12 | 2 |
| Kerr Lake | 5c | .75 | .. |
| Kirk. Lake | ‡3c | .64 | .. |
| Lake Shore | $4 | 56.00 | 7.2 |
| Little L. Lac | 20c | 5.85 | .. |
| Macassa | 15c | 4.20 | .. |
| McIntyre | $2 | 42.00 | 4.8 |
| McKenzie R. Lake | †3c | 1.80 | .. |
| McKinley Sec. | 2½c | .63 | .. |
| McWatters Gold | †5c | 1.40 | .. |
| Nipissing | 50c | 2.50 | .. |
| Nor. Can. Mining | 2c | .51 | .. |
| Noranda | ‡$1.25 | 62.75 | 2 |
| Pickle Crow | 15c | 6.95 | .. |
| Premier | 12c+1c | 3.10 | 4.1* |
| Pioneer, B.C. | 80c | 8.05 | 10 |
| Reno | 12c | 1.21 | 9.9 |
| San Antonio | 7c | 1.82 | .. |
| Sheep Creek | †2c | .83 | .. |
| Siscoe | 20c | 4.50 | 4.4 |
| So. Amer. Gold | 20c | 4.60 | .. |
| Sylvanite | 20c | 3.20 | 6.2 |
| Teck-Hughes | 40c+5c | 6.00 | 7.5* |
| Toburn | 8c | 2.00 | .. |
| Ventures | †2½c | 2.21 | .. |
| Wright-Har. | 40c+20c | 8.00 | 7.5* |

‡Interim. †Initial. *Yield includes bonus.

## Winnipeg Stocks

(Transactions from Aug. 24 to Aug. 29)

| | Sales | High for period | Low for period | Close Aug. 29 |
|---|---|---|---|---|
| Bailor Gold | 1,300 | .06 | .04 | .06 |
| Cons. Goldfields | 500 | .40 | .40 | .40 |
| Cryderman | 9,500 | .09 | .09 | .09 |
| Can. Rand | 2,350 | .08 | .08 | .08 |
| Cres. Cream., pf. | 25 | 35.00 | 35.00 | 35.00 |
| Clover G. Units | 2 | 15.00 | 15.00 | 15.00 |
| Flin Flon | 3,400 | .29 | .25 | .25 |
| Geneva | 50 | 1.00 | 1.00 | 1.00 |
| Gold Lake | 36,250 | .40 | .10 | .12 |
| Gurney Gold | 4,500 | .60 | .56 | .56 |
| Home Invest. | 10 | 20.00 | 20.00 | 20.00 |
| Johnson Nip. | 500 | .06½ | .06½ | .06½ |
| Island Lake | 6,400 | .05 | .04 | .04½ |
| Kingfisher | 7,000 | .03 | .03 | .03 |
| Knee Lake | 4,800 | .07 | .06½ | .07 |
| Ore Grande | 10,400 | .20 | .18 | .18 |
| Oxford M. | 100 | .50 | .50 | .50 |
| Pine Lake | 10,050 | .10 | .10 | .10 |
| Packsack | 1,000 | .24 | .24 | .24 |
| Rice Lake | 1,500 | .05 | .05 | .05 |
| Sachigo River | 820 | 43.00 | 38.00 | 38.00 |
| Scattergood | 500 | .04 | .04 | .04 |
| Star Lake | 500 | .01½ | .01½ | .01½ |
| Wingold | 13,500 | .06½ | .05 | .06 |
| Wylie Dom. | 600 | .60 | .57 | .57 |
| Wallace Lake | 3,500 | .04 | .03½ | .03½ |
| Wpg. River Tin. | 8,000 | .02½ | .02 | .02 |
| United Grain | 11 | 11.50 | 11.50 | 11.50 |
| Wings Ltd. | 1,150 | 1.40 | 1.35 | 1.40 |

**Stocks Not Traded in During Week***

| | Bid | Ask. |
|---|---|---|
| Beaver Fire Ins. | .. | 100 |
| Can. Indemnity | 135 | .. |
| Comm. Securities | .. | 10 |
| Dom. Envelope, com. | 1 | 1½ |
| Home Invest. | 20 | .. |
| Northern Trust | 7 | 94 |
| Traders Bldg. | 75 | .. |
| West. Steel, pf. | 10 | .. |

*Stocks more active on other exchanges not included.

## Week in Wheat

# Overseas Purchasing Gathering Momentum

### Despite Occasional Weakness, Wheat Market Believed to be Moving Toward Stronger Position — Balkan Rush Slackens

From Our Own Correspondent

WINNIPEG.—While the wheat market has had occasional periods of weakness, a substantial volume of export business continues. For a time it was obvious that new commitments of overseas importers were falling somewhat behind the rate of actual clearances from Canada, which represented buying done some time ago. Now, however, it would seem that actual forward buying has gathered new momentum, so far as overseas transactions are concerned. At the same time United States buying continues.

Observers hoping for higher prices have been looking for some new developments that might increase the volume of trade on this continent. This may be developing in some slackening that is reported in pressure of Balkan wheat. Very large quantities of such wheat have been sold, but now there is a tendency to hold. Italy has taken a good deal of Balkan grain, and is now reported also to have acquired some Canadian wheat, through indirect channels.

Although Broomhall has estimated total requirements of importing countries at 512 million bushels for the crop year, this estimate is being challenged in some quarters as too small.

### *Uninterested in Fixed Price*

REGARDLESS of opinions previously expressed, the Canadian government announcement regarding Wheat Board operations does not seem to have had any market influence, one way or another.

The minimum price of 87½ cents, basis No. 1 Northern in store Fort William, will only become effective if the market should drop below 90 cents a bushel. But if it once becomes effective, then the Board will have to accept wheat from any farmer who desires to deliver to it, regardless of what the open market price may be. Once established for the season, the Board's minimum price may not be withdrawn or altered, in accordance with the terms of the Act under which it operates.

In the meantime, any farmer who wants to hold his wheat in the hope of a higher price later on may do so with an "absolute stop-loss," to quote from an announcement issued by J. R. Murray, chairman of the Wheat Board. This will enable farmers to borrow larger sums on stored grain than they would otherwise be able to do.

* * *

### *Influence of Corn Failure*

THE most important influence now operating on the wheat market arises from the small production of corn this year in the United States at a time when corn reserves are at a low level. Already weeks before new corn is due to appear on the market millions of bushels of Argentine corn are on the way to the United States. This is merely an indication of the keen demand for feed grains likely to be maintained for a long time in the United States.

Even if the coming crop reaches, as seems unlikely, 1,500 million bushels, the country is still short approximately 1,000 million bushels of feed grain it could use to advantage. This deficiency will be somewhat overcome by premature slaughter of livestock and curtailing dairy and egg production. In part it will be met by imports of corn from the Argentine, of barley from Canada and very probably of rye from Europe. But to a very considerable extent it is likely to be met by the substitution of wheat for corn.

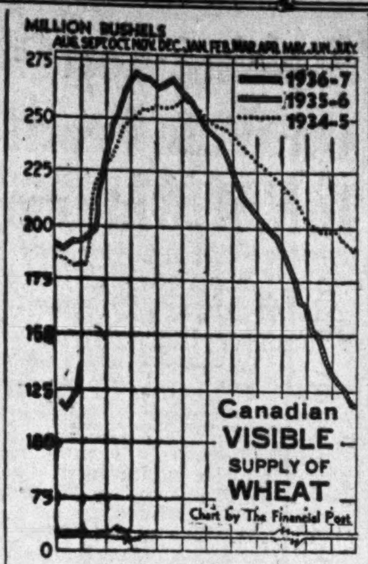
As a result the disappearance of wheat in the United States this year promises to be much larger than usual. It might easily be boosted 100 million bushels above the 650 normal. An increase in human consumption is expected due to the relative cheapness of wheat flour as compared with corn meal.

* * *

### *Feed Wheat Wanted*

EVERY available bushel of Canadian feed wheat can probably be absorbed by the United States market. The higher grades of Canadian wheat will not be available for livestock, however, since on them is charged the full duty of 42 cents a bushel. With feed wheat on the other hand 10% ad valorem is charged. But the diversion of poorer quality wheat in the United States from human to animal use may cause the U.S. demand for high-grade milling wheat to increase.

Already some effects are noted by the absorption of unusually large quantities of soft white wheat from the Pacific coast in other parts of the United States. There is consequently a lessening of offers of such wheat in Irish and in other importing markets abroad. It is a reasonable calculation that the effects of this situation will be intensified from month to month.




### *NEW CROP MOVES*

Early maturity, high prices and need of cash are combining to speed country deliveries of new Canadian wheat this season. These have been coming out as high as 3 million bushels daily recently. At this rate it will not be long before the peak of the farm marketing season is reached. Naturally while the flow lasts weekly export clearances will not begin to absorb grain inflow and the visible stocks in marketable positions will continue to climb sharply.

Details in bushels are as follows:

**Canadian Visible**

| Week of Aug. 28 | Last Week | Last Year |
|---|---|---|
| 135,428,000 | 123,295,000 | 194,890,000 |

**Export Clearances***

| Week of Aug. 28 | Last Week | Last Year |
|---|---|---|
| 4,826,832 | 4,527,398 | 2,947,022 |

*Plus U. S. imports.

# No Money Waste On Costly Dams

### Westerners Going Ahead With Simple Conservation Plans

From Our Own Correspondent

REGINA.—With more than 5,000 applications asking for some form of rehabilitation in 3 western provinces, The Prairie Rehabilitation Board and the Water Conservation Board is moving as fast as it possibly can to assist.

This federal department has approximately $240,000 to spend on this and reclamation work for this year. Over a 5-year period it is expected $4 millions or $5 millions might be expended in placing the prairie farmer in a position where he can face drought with less danger to income than in the past.

The board under John Vallance, former Saskatchewan M.P., has no grandiose scheme for watering mile after mile of prairie land such as the gigantic impoundings that have been pictorialized in the United States. Instead it is working in simple fashion on mainly such small items as dugouts to hold water, that do not cost more than $50. The farmer does the work and gets paid for the amount of soil he removes.

Dugouts are of value to the farmer with livestock. They are of inestimable value on cattle ranches and work is proceeding as rapidly as possible to dot large areas with such holes. Cattle in searching for water can travel 2 miles before losing weight. If there is a water course running across the ranch they stick to the shorelines, where the best pasturage grows and where water is always obtainable. To keep them away water holes are dug "inland" as it were, far enough away to allow steady growth of feed along the water course for winter feed supplies. In the past this supply was summer feed. Holes can be dug in such a manner as to keep cattle more inclined to move from pasture to pasture.

**Look to Stubble**

Another problem that may find a simple solution with a saving in crop preparation costs which is being pushed by the soil drifting department of the board is that of combatting the effect of wind on soil by allowing stubble to remain through until next seeding. Before seeding the soil is cultivated by discing but the operation is limited to bare necessity to the point where a good seedbed is providing without plowing.

Stubble growth, termed trash coverage by the experts, allows snow to accumulate and provides a good bed for spring. It stops soil drifting but if the growing crop fails to get rain during growth, no man-made scheme beyond irrigation can make it grow.

## Louisiana Land Earns $499,500 for Quarter

From Our Own Correspondent

MONTREAL. — Louisiana Land and Exploration Co., stock of which is listed on the Montreal Stock Exchange, reports net earnings for the quarter ended June 30 of $499,500, equivalent to 16.6 cents per share.

# Ottawa Withdrawal From Wheat Market Now Foreshadowed

From Our Own Correspondent

OTTAWA.—Practical withdrawal of the Dominion government from the wheat market is seen in the recent announcement of no change in the present minimum price of 87½ cents per bushel (basis No. 1 Nor., Fort William). With the present light crop coming out of farmers' bins in record time and market prices still remaining well above the government minimum, it is not expected that the need for taking advantage of this stop-loss order will arise. If such an assumption proves correct then Ottawa may be considered out of the present crop entirely and only interested in marketing the relatively small carryover.

If, however, the present market suddenly weakens and prices dip below 90 cents then it is conceivable that the bulk of remaining farm deliveries might be made to the Canadian Wheat Board. In such a case, the Wheat Board at Winnipeg has announced that this would bring it automatically into the market to accept any future deliveries offered no matter how far the price climbed after the decline. Once fixed, it is understood, the minimum price applies for the remainder of the crop year.

**Sell Surplus Later**

The government will not be able to close up the wheat account until it has disposed of its stocks still on hand, estimated at the end of the crop year (July 31) to be less than 100 million bushels. During the immediate future when hedging sales are heavy because of country deliveries, the government stocks will not be pressed on the market by the Board.

With the world carryover getting down to normal proportions, and the import countries depending very largely on Canada, the Argentine and Australia for their supplies during the current crop year, the Board is satisfied that after the 1936 harvest has been substantially marketed, there will still be ample opportunity to sell the carryover from last year. This will probably mean somewhere between the end of October and the first part of February, when the first Argentine new wheat should begin to arrive in quantity.

**Deliveries Are Early**

Deliveries this year from the Canadian West promise to be unusually early. Last year the height of farm marketing was reached about the end of September. Then weekly deliveries were amounting to almost 20 million bushels. Of course with a guaranteed government price usually well in advance of the market level, growers felt there was no special urge to get their grain out. The season, too, was later than the current one to date.

Already this year weekly deliveries are climbing toward the biggest totals reached a year ago and as the crop will probably be smaller (perhaps about 230 million bushels as compared with 260 million) the big rush of grain out of farmers' hands at the present rate should be over in a few weeks.

Farm deliveries this year to date with 1935 comparisons, as compiled by Sanford-Evans, have been as follows:

**Farm Deliveries of Wheat**
(000's omitted)

| Week end. | 1936-37 Week bus. | 1936-37 To date bus. | 1935-36 Week bus. | 1935-36 To date bus. |
|---|---|---|---|---|
| Aug. | | | | |
| 7 | 2,436 | ....... | 1,767 | ....... |
| 14 | 7,828 | 10,264 | 1,564 | 3,331 |
| 21 | 13,874 | 24,138 | 2,839 | 6,170 |
| 28 | 17,134 | 41,272 | 7,050 | 13,220 |
| Sept. | | | | |
| 4 | | | 12,878 | 26,098 |
| 11 | | | 19,518 | 45,616 |
| 18 | | | 19,781 | 65,397 |
| 25 | | | 19,922 | 85,319 |
| Oct. | | | | |
| 2 | | | 19,319 | 104,638 |
| 9 | | | 16,237 | 120,875 |
| 16 | | | 12,461 | 133,336 |
| 23 | | | 8,193 | 141,524 |
| 30 | | | 7,793 | 149,327 |
| Nov. | | | | |
| 6 | | | 4,212 | 153,539 |
| 13 | | | 3,997 | 157,536 |
| 20 | | | 4,312 | 161,848 |
| 27 | | | 4,304 | 166,152 |

**Not Difficult to Clear**

After all this liquidation of carryover plus marketing of the new crop should not be a difficult matter this year. For the crop year ending July 31, 1936, Canada sold 232 million bushels. And it should be borne in mind that sales in the last 6 months of the year were on a much greater scale than either during the first 6 months or for several years previously.

Moreover the conditions that resulted in these increased sales still continue. Britain is buying more freely and it is anticipated that United States may again have to import approximately 50 million bushels of hard wheat. This being so then Chairman Murray, of the Wheat Board, and the grain trade face a wheat inventory something like this:

**Present Situation**

| | Bushels |
|---|---|
| Carryover 1935-1936* | 125,000,000 |
| New crop, 1936 | 225,000,000 |
| Total | 350,000,000 |
| Domestic consumption | 115,000,000 |
| Available for export and carryover | 235,000,000 |

*Estimate includes wheat held by both government and in private hands.

**Sold Out By 1937**

Thus with anything like the sales of last year Canada should be able to clean out its grain bins before the crop of 1937. Even if sales abroad and to United States prove smaller than now anticipated and if the present crop proves slightly larger there would appear to be plenty of margin, as anything around 50 million carryover is usually considered normal. Indeed a carryover much below 50 million with a late crop which might not be available much before Sept. 1, or a month after the close of the crop year, might prove embarrassingly small.

**Bought at Old Price**

From September 6, 1935, until July 31, 1936, the Canadian Wheat Board bought wheat on the basis of 87½ cents basis No. 1 at Fort William, giving the farmer a participation certificate which entitled him to share in any profits. The current market price during the greater part of the crop year was below the fixed minimum, with the result that the Board was compelled to buy the bulk of the 1935 crop.

The Board took the view that its offer to buy at the fixed minimum expired at the end of the crop year (July 31, 1936), but as an interim measure, pending the decision of the government about a 1936-37 price, the Board continued to accept deliveries at last year's price. During this interim period (August 1 to 26) less than 200,000 bushels were offered to the Board, since open market prices were sufficiently attractive to induce practically all farmers to sell their wheat outright to private traders.

**Resists Pools**

In refusing to continue its offer to buy wheat, except in the event of a decline in prices, the federal government has resisted the sentiment of the western pools and some sections of the organized farmers in Western Canada, who have been agitating not only for a continuation of the system of government purchases, but asked an increase in the minimum price to $1 or higher.

This step may cost some political support on the prairies, the extent of the loss depending largely on the future of market prices. But in view of the policies the Liberals stressed before and after the election they were believed morally bound to get out of the wheat business as soon as as was feasible to do so.

**Follows Original Plan**

The present arrangement expresses the intention of the Canadian Wheat Board Act much more accurately than last year's performance. The Act was drafted after an exhaustive enquiry before a parliamentary committee, and the chief draftsman of it was Col. J. L. Ralston, even if Rt. Hon. R. B. Bennett was chairman of the committee. The idea of a "minimum price" was copied from the Argentine practice, and it was never intended by the draftsmen of the Act that the minimum price should be set at a figure above the current market price, thus compelling the government to pick up the major portion of the crop.

The minimum price, rather, was intended as a guarantee to the farmer that should the market suffer disastrous declines, he would be able to sell his grain at something like the out-of-pocket cost of production. It was to be a "peg" or cushion which might never be used at all, but which would be present as a form of price insurance.

**Set Too High**

When the price was set at 87½ cents on September 6, 1935, it was 2 or 3 cents above the current quotations for the previous few days. This time the "peg" is placed about 10 cents below current quotations, and the prospect is that it will not be necessary for the Board to buy wheat at all.

The cabinet takes the view that even if the minimum price never becomes operative, the government will have rendered an important service to the wheat producer, who is assured now, that no matter what the course of open market prices may be, he can obtain a price which, if not as attractive as was hoped, is at least 30 cents a bushel higher than the ruling price 3 or 4 years ago.

**Elevators Make Advances**

Another practical value of the "peg" is that elevator companies will be prepared to advance a much larger sum per bushel to farmers who elect to store their grain and gamble upon an advance in price. Advices to the cabinet here were to the effect that until the assurance of a peg was given, private elevator companies were not prepared to advance more than 55 or 60 cents per bushel (less freight to Fort William). Now it is expected that up to 80 cents a bushel will be readily advanced on stored wheat. Farmers who are not satisfied with current quotations will be able to obtain sufficient funds to take care of their fall expenses and still hold their crop for a rise.

Until the last bushel of government grain is sold it will not be possible to say what the direct monetary cost to the federal treasury of the stabilization operations of the past 6 years has been. Some $21 millions was written off in the budget of May 1, 1936. There has been rumor of a second payment to farmers who sold their 1935 harvest to the Board. But while future price trends might make this possible, the present prospects of such are remote.

# Alberta Taps Savings Fund For Finances

### Reserve for Unfunded Liabilities Down to $719,969

### NORMALLY $3 MILLIONS

From Our Own Correspondent

EDMONTON.—Figures indicating that the Aberhart Government has drawn heavily for current financing on funds maintained as reserve for provincial savings certificates and other unfunded liabilities are revealed in its quarterly financial statement just published. The statement covers a 3-month period ending June 30, 1936, the first quarter of the fiscal year.

The reserve fund, normally maintained in cash and liquid investments at a figure in excess of $3 millions, stood at $719,969 on June 30. Asked to explain this decrease, C. M. Lang, acting provincial auditor and author of the financial report, said it had been drawn upon "for Government financing purposes."

**$9 Millions Outstanding**

The savings certificates have been in default for more than a year. The total is $9,008,812, of which $4,634,912 was payable to the public on "demand" terms. The treasury has redeemed a total of $284,018 for "necessitous cases" in the 3-month period.

Coupled with the savings certificates in the unfunded debt of the province, to which this reserve applies, is the civil service superannuation fund, totalling $2,239,200. Another item, a bank loan of $5,700,000, is secured separately.

The standing of this reserve fund recently has been:

| | |
|---|---|
| March 31, 1935 | $3,295,000 |
| Aug. 31, 1935 | 1,851,638 |
| Dec. 31, 1935 | 1,859,338 |
| March 31, 1936 | 3,273,435 |
| June 30, 1936 | 719,969 |

Payments to certificate holders were suspended by the former government when a run developed shortly after the Alberta election in August, 1935.

**First Report Since Budget**

The quarterly statement is the first report on Alberta finances since the first budget of the Social Credit Government went into effect, with its provisions for $3,268,618 increase in taxation. While instances of definite improvement are revealed, revenues have failed to come up to estimates. Revenues have increased $835,868 in the 3 months, compared with 1935, but were $118,059 under the quota for the quarter, the quota being worked out in the report on the basis of the year's estimates.

The budget stepped up expenditures on income account by $915,613 for the year, and the quarterly statement shows an increase of $224,037 in expenditures compared with 1935. The cash position of the province, therefore, has improved $611,830 in the 3 months, though the cash deficit stood at June 30 at $370,326.

**Running Behind**

Reduced to monthly averages, the picture that Alberta's finances presents is as follows: Revenues are running about $278,000 a month ahead of last year, but about $39,000 behind budget estimates; expenditures are running about $74,000 a month ahead of last year, and are being kept about $1,500 under budget provisions.

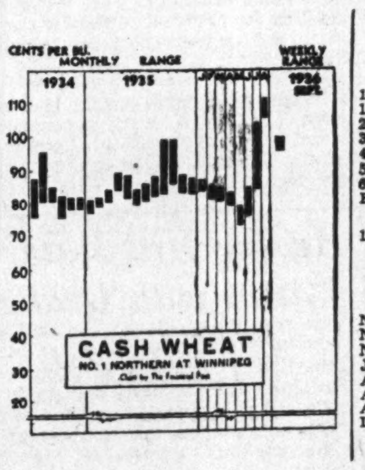
Unusual interest centres on the report since it indicates Alberta's position under conditions imposed by the Government's avowed policy of halting further borrowing and restoring a "sound basis" as a prelude to inaugurating Social Credit. The effect of the arbitrary reduction by one-half of interest rates on public debt is scarcely noticeable, since the reduction came into effect in June only. Debt charges increased $131,492 over the same period in 1935. The public debt itself increased $1,629,666, of which $1,316,460 is unfunded debt, accountable largely by shrinkage in reserve.

**Mystery Explained**

The report explains the mystery how the University of Alberta was enabled to meet a $450,000 maturity in July though the province was unable to meet a maturity on April 1. This was done by the treasury selling a $300,000 treasury bill to the provincial sinking fund, and guaranteeing a bank loan of $150,000 for the university.

The funded debt of Alberta stood at June 30 at $154,199,010, and the sinking fund at $10,944,733, the latter having increased by $318,794.

## Wheat Prices




(Cash Quotations)

| | For Week Sept. 1 High | For Week Sept. 1 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| At Winnipeg: | $ | $ | $ | $ |
| 1 Man. Hard | .99⅜ | .96⅜ | 1.04½ | .97¼ |
| 1 Northern | .98⅜ | .95¾ | 1.03 | .96¼ |
| 2 Northern | .96⅞ | .93⅜ | 1.01½ | .94 |
| 3 Northern | .94⅜ | .91⅛ | .99 | .91½ |
| 4 Northern | .90⅞ | .87⅝ | .95 | .88 |
| 5 Wheat | .86¾ | .83¾ | .89½ | .83 |
| 6 Wheat | .86⅜ | .83¾ | .88½ | .84 |
| Feed Wheat | .70⅜ | .67¾ | .72½ | .68 |
| Vancouver: Week to Aug. 31: | | | | |
| 1 Northern | .96⅞ | .94¾ | 1.02½ | .98¾ |

Competitive Export Prices: (Aug.) shipment.

| | High Week to Aug. 29 | Low Week to Aug. 29 |
|---|---|---|
| No. 1 North. (Vanc.) | 1.17⅛ | 1.12⅜ |
| No. 2 North. (Atlan.) | 1.14⅜ | 1.10 |
| No. 2 North. (Vanc.) | 1.16⅜ | 1.10 |
| Jugoslavian* | 1.02⅞ | .99 |
| Australian (Afloat) | unquoted | |
| Australian‡ | 1.18⅝ | 1.16⅜ |
| Argentine Rosafe† | 1.07⅝ | 1.06⅞ |
| Indian (choice Karachi)‡ | 1.17⅞ | 1.14 |

*Aug.-Sept. shipment. ‡September. †January.

## Winnipeg Grain Futures

Week to Sept. 1, 1936

| Crop year from Aug. 1, 1936 High | Low | | Open Aug. 26 | High for week | Low for week | Close Sept. 1 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| 1.08⅜ | .95¼ | Oct. | .98 | .98⅜ | .95¼ | .95⅜ |
| 1.06⅜ | .94 | Dec. | .97 | .97¾ | .94 | .94⅛ |
| 1.08½ | .96 | May | .98¾ | .99⅛ | .96 | .96⅛ |
| | | **Oats** | | | | |
| .49¾ | .43⅛ | Oct. | .47 | .47¼ | .43⅛ | .43⅜ |
| .48¼ | .41¾ | Dec. | .44¾ | .45⅛ | .41¾ | .41⅞ |
| .48¾ | .42¾ | May | .45¾ | .45¾ | .42¾ | .42⅞ |
| | | **Barley** | | | | |
| .66¼ | .52⅛ | Oct. | .55½ | .55⅞ | .52⅛ | .52¼ |
| .61⅝ | .51 | Dec. | .53¼ | .53⅝ | .51 | .51 |
| .61¼ | .51⅛ | May | .53 | .53⅝ | .51⅛ | .51¼ |
| | | **Flax** | | | | |
| 1.90½ | 1.65¼ | Oct. | 1.68¾ | 1.69¼ | 1.65¼ | 1.65¼ |
| 1.88 | 1.64 | Dec. | 1.67½ | 1.68 | 1.64 | 1.64¾ |
| | | **Rye** | | | | |
| .71⅜ | .62 | Oct. | .67⅝ | .68⅜ | .64 | .64¾ |
| .70 | .61¾ | Dec. | .66⅜ | .67½ | .63 | .63⅜ |
| .71⅝ | .62⅝ | May | .66⅝ | .67⅝ | .63⅛ | .64 |

## Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

**Sweden** — Business continues to advance; the financial situation is especially favorable, exports are increasing, and unemployment diminishing.

**Belgium**—Has made much headway toward recovery from the severe effect of the disorganization of business occasioned by the strikes in June.

**Switzerland** — Reports a spotty condition within industry, an improvement in watches, instruments and aluminum being offset by a continuation of depression in other lines, resulting in reduced employment and foreign trade.

**Greece**—Is generally benefitted by an industrial output in excess of last year and by a much larger wheat crop; tobacco crop prospects are less favorable.

**Germany**—Wholesale prices continue to rise.

**Japan**—Industrial output expanded during June and seasonal factors were favorable, though the trade dispute with Australia causes concern.

**China** — Various public bodies have petitioned the Government to place a ban on wheat exports.

## DIVIDEND NOTICES

### THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th September, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1936, to shareholders of record of the 19th September, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 13th August, 1936.

### Ste. Catherine Improvement Company

Notice is hereby given that coupons dated July 1st, 1936, on the outstanding six and one-half per cent (6½%) First (Closed) Mortgage Leasehold Sinking Fund Gold Bonds, January 1st, 1947, will be paid upon presentation at the office of the Company, Room 920, Dominion Square Building, 1010 St. Catherine Street West, Montreal.

By Order of the Board.

B. C. EMPEY,
Secretary.

Montreal, 25th August, 1936.

### The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of October, 1936, to shareholders of record at the close of business on the 23rd of September, 1936.

F. G. WEBBER,
Secretary.

Montreal, August 26th, 1936.

### Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of

**Eight Per Cent. Per Annum**

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

**Thursday, the First Day of October**

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1936.

By order of the Board.

Walter F. Watkins,
Secretary.

Toronto, August 12th, 1936.

### DIVIDEND NOTICE

**HIRAM WALKER-GOODERHAM & WORTS LIMITED**

Controlling and Operating
Hiram Walker & Sons Limited (Walkerville)
Gooderham & Worts Limited (Toronto)
Hiram Walker & Sons Grain Corporation Limited
Hiram Walker & Sons Distilleries Inc.
Hiram Walker & Sons Inc. (Peoria)
Hiram Walker & Sons (Western) Inc.
Hiram Walker Incorporated
Hiram Walker-G. & W. Sales Corporation
Jas. Barclay & Co. Limited
Jas. & Geo. Stodart Limited (Glasgow)
The Stirling Bonding Company Limited (Glasgow)
Distillers, Bottlers in Bond, Distributors, Etc.

**DIVIDEND NO. 38**

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Tuesday, September 15, 1936 to shareholders of record at close of business on August 22.

**DIVIDEND NO. 39**

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Tuesday, September 15, 1936 to shareholders of record at the close of business August 22.

By Order of the Board.

FLETCHER RUARK,
Secretary.

Walkerville, Canada
August 13, 1936

### UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

**Canada Northern Power Corporation, Limited**

*Common Dividend No. 29*

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1936, payable October 26th, 1936, to shareholders of record at the close of business on September 30th, 1936.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, August 25th, 1936.

### Imperial Tobacco Company of Canada, Limited

— DIVIDEND —

NOTICE IS HEREBY GIVEN THAT an Interim Dividend (No. 119) of One and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Wednesday, the 30th day of September, 1936, to shareholders of record at the close of business on Friday, the 11th day of September, 1936.

A Semi-Annual Dividend (No. 49) of Three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Wednesday, the 30th day of September, 1936, to shareholders of record at the close of business on Friday, the 11th day of September, 1936.

By Order of the Board,

F. P. L. LANE,
Secretary.

MONTREAL, P.Q.,
28th August, 1936.

### CENTRAL PATRICIA GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that an interim dividend of 4 cents a share on the issued capital stock of the Company has been declared. Payable on the second day of October, 1936, to the shareholders of record at the close of business on the fifteenth day of September, 1936.

By Order of the Board,

C. R. ELLIOTT,
Assistant Sec.-Treas.

Dated at Toronto,
September 1, 1936.

### Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 32) of 1¾% upon the outstanding Preferred shares of the Company has been declared, the said Dividend to be payable on or after the First day of October, A.D. 1936, to Shareholders of record at the close of business on the 15th day of September, A.D. 1936.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 26) of 15c per share on the No Par Value Common Shares of the Company issued and outstanding has been declared, payable on or after the 30th day of September, A.D. 1936, to Shareholders of record at the close of business on the 15th day of September, A.D. 1936.

By Order of the Board,

I. N. WILSON,
Secretary-Treasurer.

Calgary, Alberta,
August 28, 1936.

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## The Week in Mining

# Mine Shares In Process Of Corrective Reaction

### Reduced Sales Volume Reflects Lessened Profit-Taking — Price Structure on Firmer Technical Basis

Fourth consecutive week in which Canadian mining shares followed a moderately downward price trend, this week's trading gave the first indication that the corrective reaction is nearing an end.

Volume of sales declined, in contrast to a rising sales volume in the 3 preceding weeks, but since the price movement was still downward, it was clear that the smaller sales volume represented a lessening of both profit-taking and realizing. Buying was largely of a selective type.

Technical influences are paramount in the Canadian mining list at the moment. Field news, movements of metal markets and other outside factors are almost uniformly bullish and most of them were discounted in the sweeping rise in prices that reached its peak in July. Since that time, the market has successively adjusted itself to lower levels.

Realizing sales in the first 3 weeks of August are partly responsible for the gain in August sales' volume on the mining section of the Toronto Stock Exchange, largest Canadian market for mining securities. August's volume of 33.9 million shares compares with 33.6 million in July, but reflecting the price trend, transaction values are about $3 millions lower at $30.1 millions.

Siscoe led activity in senior Canadian golds in the last 4 weeks, with Wright-Hargreaves and Teck-Hughes also prominent in the turnover. Among the lower-priced golds, Greene Stabell, O'Brien, Shawkey, Roche Long Lac and McMillan were churned about in heavy trading and at irregular prices.

Base metal issues have lost something of their popularity with dimming of prospects for still higher copper prices, and silver stocks remain more or less static.

### Nickel's Platinum

BUYERS centred their attention on International Nickel shares on the Toronto Stock Exchange this week, sent the price to its peak for the year to date, and directed market attention anew to the double-edged, war-and-peace industrial issue.

Snap-judgment traders cited war talk as the reason. Chart-readers, analysts and conservative stock market observers, recalling that Nickel's war-time record was merely a curtain raiser for the industry's large-scale development after 1918, thought differently.

Next November will see the largest expansion to date in the company's productive capacity, estimated at a 40% increase. The result may be to increase earnings which hit a new all-time peak of 59 cents a share in the second quarter of 1936.

**Platinum Revenue**

More important than its war orders is Nickel's revenue from industrial sources, its customers who buy nickel, monel metal, copper, silver, selenium, tellurium and platinum. The mint buys the gold.

From platinum this year may come a larger part of Nickel's per share earnings. Price of the metal at wholesale jumped from $30 an ounce June 1 to $62 an ounce at the end of August in "official" quotations at New York. Since June 15 the price has risen steadily and in a single day recently it soared $9 an ounce to the $62 level. Much of the rise is credited to speculators, or as an inflation hedge rather than bona fide increased demand. In this is seen an unhealthy factor which could break prices as quickly as it has advanced them.

Last year, Nickel produced 128,874 ounces of the metal that looks like silver but brings about a hundred times silver's price. It was a modest gain over 1934 production of 124,424 ounces, but nearly twice the 1933 total of 77,198 ounces. Nickel's platinum output in 1935 is estimated far in excess of Russia's one-time leadership, and about 75% of the world total.

**$8 Millions Income**

With a 40% expansion programme in sight, it does not follow that Nickel's platinum production in 1936 will record a 40% rise. If it is no better than 130,000 ounces against 128,874 in 1935, earnings of Nickel will benefit substantially, for 130,000 ounces of platinum at $30 an ounce is $3,900,000. At $62 an ounce it is $8,060,000.

The difference — $4,160,000 — is equal to a 28½ cents-per-share gross earnings' increase on Nickel's outstanding 14,584,025 common shares.

Gross revenue on Nickel's production of 130,000 ounces of platinum would mean 55 cents a share from this source alone, at the current $62 per ounce price, compared with 26½ cents a share from $30-platinum in 1935, assuming that the $62 price will hold and is more than a speculator's pipe dream.

U. S. industry shares honors with Japan and the Far East as chief customer for Nickel's platinum production, which may or may not be symbolic.

* * *

### "PS:—"

SALES psychologists employed as "statisticians" by some of the newer mining brokerage-promotion houses have developed a new wrinkle in sales promotion by mail.

Best example of the new method, which relies on a confidential, between-you-and-me style of letter, comes from the office of a Toronto concern with an impressive name but known to be the vehicle for operations of a promoter whose record is anything but impressive.

Nothing is said in the "message," printed and rubber-stamped by the "front name," about a gold mine. Nothing at all. It merely deals in glowing terms with the astounding figures of Canadian gold production this year; the wonderful accomplishments of the industry, and the truly marvellous prospects ahead. A hint is given that opportunities to share in the benefits may still exist and that anyone anxious to be kept continually informed, need only say so.

But the kick is reserved for the last, after the reader's mind is theoretically prepared—if he has not already laid the "letter" aside and yawned. The real purpose of the missive is the PS.

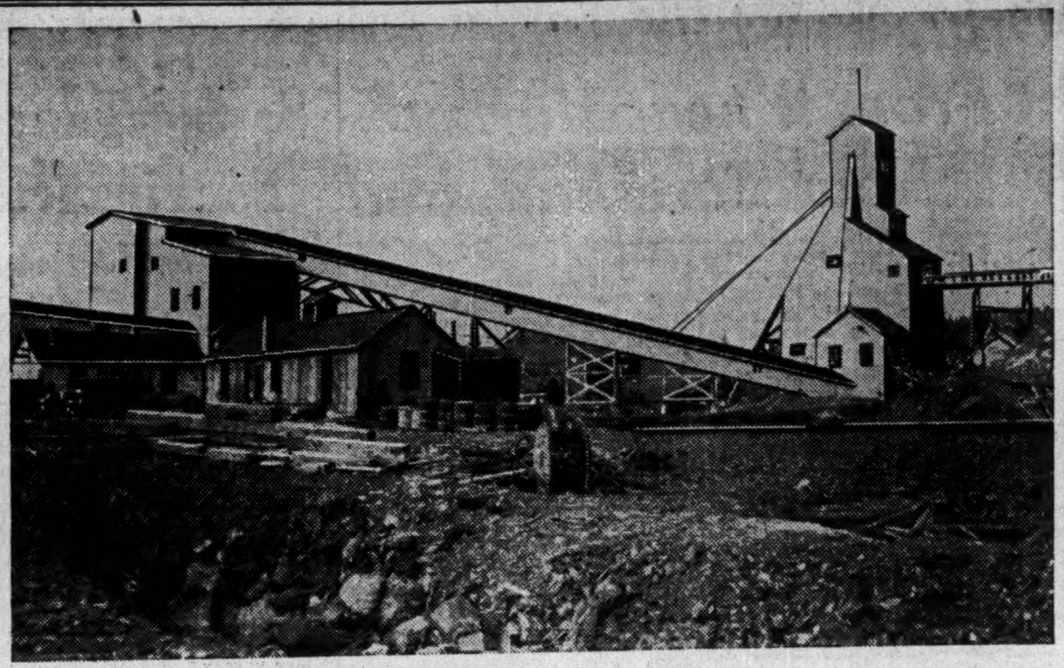
It says, quite casually, that "At this moment, I particularly favor . . . . . . Mines. You might realize a very nice profit if you buy it now."

* * *

### Index Still Lower

STABILITY of the gold issues in spite of easier price tendencies of the general market served to check the decline of the Canadian mining share index during the week ended Aug. 27. The index nevertheless dropped for the fourth successive week, to close at 156.7 against 158.1 for the previous week. It was still far above the 114.9 recorded for the corresponding week of 1935. The gold group's index showed a smaller loss at 131.2 against 132.0 a week earlier. Base metals' index was sharply lower at 262.5 against 266.4 for the week ended Aug. 20, largely as a result of a substantial decline in prices of Hudson Bay.

The Canadian mining index chart is shown below:



**THIS WAS CROWN RESERVE**

One of the interesting developments of the 1936 mining story was the bringing into production, as Omega Gold Mines, an old property in the Larder Lake district, northeast of Kirkland Lake. This property was at one time owned by Canadian Reserve and Proprietary Gold Mines. The mill went into production in February, 1936, and, under the control and supervision of Castle Trethewey Mines, has given a good account of itself since.

# Gold Showings on 4 Levels Improve God's Lake Outlook

From Our Own Correspondent

WINNIPEG.—God's Lake Gold Mines is in good ore on all 4 levels and the shaft is down to its immediate objective of 850 feet which provides 2 more levels on which to operate.

At 810 feet a new vein came into the shaft carrying free gold but not much is known about this occurrence yet. Samples of ore from each of the levels show free gold in an excellent formation.

**Outlook is Bright**

From the farthest drill hole to the west in ore to the farthest drill hole to the east in ore the total distance is 3,300 feet.

According to R. J. Jowsey, president of the company who is here during an inspection tour of northern properties, the God's Lake picture never looked so bright.

While not sufficient is known about the Echimamish River discovery, there are indications of satisfactory values in base metals but the success of the property will depend largely upon its precious metal values. The drill crew has been working for some weeks and several drill holes are completed. Cores have not yet been assayed.

**Plant For Sachigo**

Men are cutting a road from Sachigo River to God's Lake in readiness for winter freighting of a mining plant to this new discovery. The plant will be taken by rail to Ilford and will follow the established route to God's Lake, thence over the new trail to Sachigo River, a total distance of more than 200 miles by tractor from rail-head.

## At the Mines

**Area Mines**—Arrangements with Ventures Ltd. provide for a minimum of 4,000 feet of diamond drilling on the 6-claim group adjoining Waite-Amulet in Dufresnoy Township. Ventures has agreed to spend $10,000 within 3 months in exploration of the merged claims, 3 of which are owned by Area and 3 by Ventures. A new company will be formed if results are successful.

* * *

**Algold Mines**—Exploration of the Goudreau property is continuing with efforts centred on a newly discovered vein. Work in the west pit shows the vein to have a width of 15 feet with highly disseminated free gold across the full width. Milling operations are at capacity.

* * *

**Burns Mountain** — Operations on the Cariboo, B.C., property are being resumed after 3 years. The main crosscut was advanced 108 feet Aug. 24 when the last 27 feet were in quartzite. The objective is from 350 to 450 feet ahead.

* * *

**Churchill River Power Co.**—Of the total output of 5,457,000 kw.h. during the week ended Aug. 23, Flin Flon consumption amounted to 5,250,000 kw.h., according to official company records. Total power generated was 5,531,000 kw.h.

* * *

**Consolidated Chibougamau Gold-Fields**—An additional 40,000 shares have been taken up at $1 a share under the option agreement of May 18, 1934. Balance of the option consists of 415,000 shares at $1 each, which may be taken up by January 1, 1937.

* * *

**Don Martic Gold Mines**—Diamond drilling is planned together with further surface exploration. Several gold bearing veins have been encountered during exploration of the Malartic area property.

* * *

**Francoeur Gold Mines** has been listed on the Toronto Stock Exchange. Ticker abbreviation is "FRC."

* * *

**Howey Gold**—has discovered a new vein about 1,000 ft. north of the main shaft. Sampling by 9 drill holes for 500 ft. along the strike yielded an average of $10.23 over average width of 30 inches. The vein has been traced about 900 ft.

* * *

**Hudson Patricia** — The mill at Clearwater Lake, Woman Lake area, will be stepped up after running on low-grade ore from which a $5,000 brick was recently poured. Mine run ore will now be used for feed, the tuning-up process having been completed. Ore in the stopes averages $14 and the mill is expected to go on a paying basis shortly.

* * *

**La Sarre Gold Mines**—Financing arrangements are reported by which the company will resume development of its property in La Sarre Township, Quebec. A diamond drilling contract has been signed and work will start at once to determine the character of ore at depth.

* * *

**MacFarlane Long Lac** — An additional 1,000 ft. of diamond drilling will be done at the Long Lac property, according to Walter J. Mellody, president.

* * *

**Norgold Mines**—has been listed on the Toronto Stock Exchange. Code abbreviation is "NGD."

* * *

**North Huron Gold Mines** — Developing the old Ophir property in Algoma, has encountered a new vein on surface. Width is reported around 10 feet with heavy mineralization. The find was made in a section hitherto unexplored.

* * *

**Red Lake Gold Shore**—expects to pour its first gold brick next month. Four years' ore is reported ahead for the 125-ton mill. The mill is handling 115 tons daily but plans call for an early increase to 140.

* * *

**St. John's, Nfld.** — Reports received here from Rencontre West, southwest coast, where Dana & Co. are prospecting on molybdenite deposits, state that a much larger body of ore has been disclosed than was at first indicated. Other molybdenum deposits are being examined by Dr. A. K. Snelgrove, government geologist.

* * *

**Shawkey Gold**—has encountered a second high-grade pocket. The new ore is said to be the richest encountered to date and was found on the 402 stope of the Dubuisson property.

* * *

**True Fissure Mines**—Discovery of a new vein, 20 feet wide, containing free gold, and with geology similar to other Cadillac properties on which gold finds have been made, is announced by President J. M. Robertson. One vein has been stripped and trenched a distance of 6,340 feet and another for 1,000 feet appears to continue to 7,500 feet. The property will be surveyed.

* * *

**Wesko Gold Mines**—in the Nelson area of B. C., will shortly commence construction of its 100-ton flotation plant. The mill will be the tenth in the Nelson area.

# Francoeur Ore Runs .21 Ounce

### Average Estimated Above Third Level 31,000 Tons

Ore reserves at Francoeur Gold Mines are estimated at 31,323 tons, averaging .21 oz. gold above the third level, according to W. H. Woods, consulting engineer for the company.

A small shoot of ore is partially developed in the fifth level, averaging .42 oz. gold across an average width of 78 inches, and over a length of 90 ft. Surface exploration reveals that the major fault crosses both the Francoeur and Arntfield properties and it is in conjunction with this fault that present known ore shoots occur.

Under supervision of Dr. J. E. Gill, a programme has been laid out to explore the ground to the west of the No. 1 shaft.

**Shaft Down 743 Feet**

Four drill holes over a length of 400 ft. have been put down along the new ore zones, with values of .39 oz. over 27.3 ft.; .437 over 9.2 ft.; .16 over 18.2 ft. and .397 over 27.6 ft. A second drill has also been placed in operation.

The incline shaft is down to 743 ft. on the No. 1 ore shoot or 500 ft. vertically. Levels have been opened at 100, 200, 300 and 500 ft. Drifting to date on the 4 levels has totalled 2,829 ft. with 925 ft. of cross cutting. Drilling to date totals 4,696 ft. from the surface and 2,980 ft. underground.

# Ronda Works On Two Levels

### Former Neville-Canadian Property Under Intensive Development

From Our Own Correspondent

SUDBURY.—Ronda Gold Mines property, formerly controlled by Neville-Canadian, in the West Shiningtree area, is being subjected to intensive exploration and development, according to President E. H. Dickenson and Mine Manager Anthony Sweet.

Lateral work is proceeding on the 200- and 300-foot levels. The vein system, under previous operations, had been drifted on for a distance of 800 ft. and the showing on surface exposed for 2,500 ft. The shaft has been sunk to 300 ft.

The present work was undertaken after a report on the property had been made by John Shaw, M.E., and Mark Little, M.E. Mr. Little is now consultant for the company and in charge of operations.

**Consultant For Bilmac**

Last week it was announced Mr. Little had also been named consulting engineer for the adjacent Bilmac Gold Mines, where operations are proceeding at the 400-ft. level.

Under the deal with Ronda, Neville-Canadian receives 810,000 shares. These, it is understood, will be distributed to Neville shareholders on a basis of about 8 Ronda for 10 Neville. Ronda Gold Mines has a capitalization of 3,000,000 shares of $1 par and is said to be financed for several months operations.

# Presdor Porcupine Buys Logue Claim

### Drilling Undertaken on Potentially Important New Ground

Presdor Porcupine Gold Mines Ltd. has purchased the Logue claim adjoining the Presdor property to the east, and immediately south of Preston East Dome. The company is drilling on its new claim, considered by officials to add greatly to the potential value of the company's property.

Drilling on Presdor ground immediately joining the Preston East Dome to the south has started under a contract for 10,000 ft. of drilling. Owing to the nature of the overburden, progress in drilling has been slower than anticipated, interrupted by the necessity of substituting heavier drilling equipment and casing.

## MyLamaque Drilling Cuts New East Vein

Intersection of a new vein showing good mineralization is reported from diamond drilling operations on the eastern section of MyLamaque Gold Mines Limited. The property is adjacent to Lamaque Gold Mines in the Lamaque section of Quebec.

The core is being pulled and assay figures will be available shortly.

# Cent. Cadillac To Sink Shaft

### Contract for Power Signed With Northern Canada

Central Cadillac Gold Mines Ltd. has signed a contract with Northern Quebec Power Co. for power to be used on the company's operations in Cadillac Township.

Contracts have also been let for the purchase of a transformer substation and compressor equipment.

Shaft sinking on the property will start immediately upon delivery of power. The work will be under the direction of J. F. B. Davies, consulting engineer.

**Adjoins O'Brien**

Central Cadillac's property adjoins O'Brien on the west and Wood-Cadillac on the east. A discovery of importance on the Wood-Cadillac ground at the west end of the property is immediately in line with the two most southerly claims of Central Cadillac, where shaft sinking is to be undertaken.

## Kaw Crow's Drill Hits $8.30 Values

First drilling results on Kaw Crow Patricia are made known this week with reports from the property that No. 6 drill hole, spotted 100 feet east of the Winoga boundary and opposite the southern claims of Winoga, cut 4 feet of mineralization averaging $8.30 gold per ton.

The 4-foot section was cut at 221.5 feet depth. At 488 to 490 feet values averaging $3.50 over 2 feet were encountered. Other values from the core gave $4.20 and $2.10 over unstated widths.

## Blue Star Will Drift On 2 Veins at 150 Feet

Drifting will be started on the No. 1 and No. 2 veins of Blue Star following completion of the shaft to its first objective of 150 feet. The veins are about 50 feet apart on surface where systematic sampling showed good values in gold. Four other parallel veins within a width of 500 feet remain to be explored in this section of the property.

# Bousquet Milling Will Be Increased

### Development of 450-ft. Level to Proceed at Once

SUDBURY.—Work is under way on the dewatering of the 450-foot level of Bousquet Gold Mines in the West River area. The company plans immediate development work on this horizon.

Mining and milling operations are proceeding in a satisfactory manner, the management states. The mill at present is handling around 48 tons daily, and plans are to step up to 60 tons in the near future. All mill-feed is coming from the first and second levels. Recently a third brick was poured, containing 270 ounces of gold and valued at about $9,000. It represents 2 weeks milling.

A campaign of surface work is being carried out. Interesting showings are reported. Between 50 and 55 men are steadily employed at the property.

# Hedley Mill Rate Varies with Grade

Hedley Mascot Gold Mines in the Hedley area of B. C. is operating on daily tonnages as high as 175 and as low as 110 or 120 tons, depending upon the richness of the feed.

The mill is of 150-ton capacity but difficulty has been experienced in keeping heads at an even value around .4 oz. gold. Some ore has been running over an ounce to the ton. From May 15 to August 19 twenty-nine carloads of concentrate, averaging around 40 tons, were shipped.

## Bulolo Gold Dredging Issues 7,784 New Shares

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has listed 7,784 additional shares of Bulolo Gold Dredging. The total number of outstanding shares now is 997,444 shares of $5 par value each.

# Staking Active On Wide Front In N.W. Ontario

### Gold, Molybdenite and Nickel Attract Prospectors Over Large Area

**NEW FIELDS SPREAD**

From Our Own Correspondent

HUDSON.—Interest centred on gold mining in northwestern Ontario in recent months has led to a number of important finds.

The gold strike made at Spirit Lake, 75 miles north of the Red Lake mining field, has received most attention, but, in addition to this, there are many others.

In the Sioux Lookout area there have been 6 new gold strikes in recent weeks. Two miles south of Hudson a group of claims has been staked by Harry Lesage and Wesley Downs. A find within the town limits of Sioux Lookout has been made on property belonging to Dan Kressell. The vein is 16 feet wide and samples returned good values.

**Others Report Finds**

Other new finds have been made on claims held by Cedar Bay Gold Syndicate and the Rogers-McKee, Hill-Yersley and Powell groups. Several new showings are reported in the Wabigoon-Manitou area of the Kenora Mining Division and a new strike is also reported at Woman Lake, having been made by R. H. McDonnell, formerly assistant manager of J. M. Consolidated.

Prospectors report discoveries at Slate Falls southeast of Birch Lake, near the Cat River Gold Syndicate, and others near Birch Lake, north of the Harris property.

**Molybdenite and Nickel**

A gold showing in Belmore Bay on Sturgeon Lake was recently reported. A number have also been found south of Kenora in recent months, but here the most important are molybdenite and nickel. The latter was credited to F. McCallum, Winnipeg prospector, who has optioned his property to Coniagas.

The molybdenite find about 30 miles northeast of Fort Frances is causing much interest, with 3 American companies negotiating for control. U. S. Steel Corporation, Climax Molybdenite Company, New York and an unstated Cleveland concern have had engineers at the group which was staked by 2 prospectors, Trask and Nanford. A crew of 10 men is employed on surface work. Samples run around 15% in molybdenite which is valued at about $9 per pound.

**Busy at Trout Lake**

A new field is growing in the Trout Lake area, immediately east of Red Lake where H. B. Mather discovered a new find last summer and returned this year to stake it. Interests with which he is associated have staked 200 claims while other prospectors have staked at least another 100.

## Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—Horseshoe Mines is in production with 30 stamps in operation. Initial production will be kept down to about 50 tons a day until the mill is worked in and for the present extraction is by amalgam process with concentrates being stored.

Later, it is anticipated a flotation process may be installed and extraction increased.

Timbering of the shaft has been completed and the entire plant has been renovated. Hilding Johnson, mine manager, anticipates bringing tonnage gradually up to about 100 tons a day without any additions to the existing plant.

A new ore find has been made on the Horseshoe and the adjoining Neda property, which has been traced for 600 feet running about 9 feet in width with substantial values. This is now being exposed and sampled for its entire length by pits and trenches. It is believed it may be an important addition to the resources of both the Horseshoe and the Neda.

* * *

**San Antonio's Low Grade**

San Antonio is producing between $85,000 and $90,000 a month. Directors will meet shortly to discuss dividend action.

The mill is handling a considerable amount of lower grade ore from the upper levels as part of the plan of cleaning up as operations are deepened.

J. D. Perrin explains that the present programme, which involves using considerable low grade development ore, will continue for some time and production on that account has been somewhat lower than during 1935. Practically no ore had been taken as yet from the No. 16 vein on the 1,090-foot level.

* * *

**Copper Reef Optioned**

An option for $25,000 and an interest in the property has been taken by Tom Young of Minneapolis on the Copper Reef claims, north of Tin Can Narrows on Lake Athapapaskow. The vendors are Mrs. W. Pearson and Alex Moody of Cranberry Portage. Eight claims are included in the option and 14 more have been staked by the Young interests.

## Michipicoten Property To Be Further Developed

Mackey Point Gold Mines Ltd. has been incorporated under federal charter with a capital of 5 million shares of no par value to develop a property in the Michipicoten field.

Under an agreement between D'Arcy D. Bogue and vendors of the property, $500,000 is being supplied for development purposes.

Development work to date includes the 2 shafts on the property and a network of veins is reported from which high gold values were obtained from earlier work. The new company plans a diamond drilling campaign, continuation of shaft sinking and underground work to determine the nature and extent of ore deposition.

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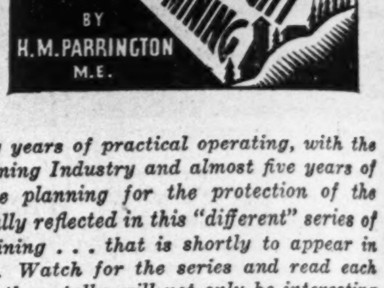


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Yours sincerely,
H. M. Parrington
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# Giffin Preparing To Operate Mill

### New Funds Permit Expansion at Nova Scotia Property

Options on 500,000 shares of Giffin Gold Mines Ltd., treasury stock are providing funds by which the company is resuming operations at its property near Goldboro, N.S.

A new mill was completed on the property in January but a few months ago it was found necessary to curtail work owing to lack of funds following expenditures on mill erection and development.

Since the new option arrangement, underwriters have supplied funds in excess of the contract requirements and operations have been expanded. The mine crew is increased and this week S. H. Giffin, president, ordered the mill to be tuned up and made ready for production at an early date.

## Wood-Cadillac Drilling Hits Free Gold at 300

In its first hole drilled since the resumption of operations at the property, Wood-Cadillac Mines Ltd. encountered free gold at 300 feet, according to advices from Julius M. Cohen, the company's consulting engineer.

The hole is situated near the western extremity of the property. Previous drilling proved the presence of gold at the eastern end. Further diamond drilling will be done. The company also announces J. Alfred Belanger, president of Basin Gold Mines Ltd., has joined the directorate of Wood-Cadillac.

**Rahill Red Lake**

Enlargement of development work on the Red Lake property of Rahill Red Lake is planned by officials. One high-grade zone has been opened on the southeast group, and the extension of Gold Eagle's ore zone has been proved for 300 feet on the northeast group.

MacAndrew Red Lake
Depth diamond drilling to test this well located Red Lake enterprise started on August 25th.
Map and bulletin on request
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# New Gold Rush Follows Strike At Spirit Lake

## Over 200 Claims Staked—Larger Companies Send Field Men

### EXPLORING SURFACE

From Our Own Correspondent

HUDSON, Ont.—A rush of prospectors has developed as a result of the high-grade gold discovery made by A. F. "Gus" Hewitt at Spirit Lake, 200 miles north of here.

Prospecting for the Interlac Gold Syndicate which was financed by Derby Gold Syndicate, Hewitt, R. K. Ruddy, M. F. Robertson and T. C. Truss, first staked claims in the Birch Lake area and then set out for Spirit Lake which Hewitt first prospected on a trip to Favorable Lake in 1928.

**Many Companies Staking**

To date the syndicate has staked 96 claims and other staking has been done by representatives of some of the larger mining companies. To date over 200 claims have been staked. Such names as Coniagas, Consolidated Smelters, Prospector's Airways, Karl Springer Exploration, Anglo-Huronian Mines and Mining Corporation are identified with the new area.

Some of the men in the field are Dr. Horwood of the Provincial Dept. of Mines, Dr. J. E. Holley of Anglo-Huronian Mines, Dr. F. Burton of Mining Corp., H. Williams of Consolidated Smelters, Wm. Keefe of Keefe Diamond Drilling Co., Howard Hunter and Don Chambers and crew of Toronto, and Robert Cockeram, Toronto. One group of men flew to Spirit Lake from New York to get in on the first staking. Surface work is proceeding at several of the groups.

**High-grade Values**

Exploration on surface is being carried out on the Derby Syndicate claims. Chip samples across the discovery give extremely rich gold values. In addition, there are values in silver, arsenic, iron and sulphur.

On the syndicate claims 4 other mineralized breaks are located. In the "A" zone, stringers of mispickle and quartz are exposed over a width of 30 feet. Low values in gold are reported. Eastward the "J" zone has been traced for 1,100 feet with widths ranging from 10 to 20 feet. This occurrence is a shear zone with quartz and streaks of mispickle. A crew of 10 men is working on surface while plans are to commence diamond drilling shortly.

**New Company Formed**

A company to be known as Spirit Lake Gold Mines is being organized to succeed the Derby Gold Syndicate. The company will be capitalized at 3,000,000 shares. Derby units will be exchanged for 2,500 shares in the company which will have about $60,000 in cash from the syndicate to carry out preliminary work on the Spirit Lake property. Names identified with the company are J. B. Streit, president of New Golden Rose Mines; Col. T. W. MacDowell, H. Bambrick, W. G. Turner, P. Bernard.


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# Ontario's Gold Production Sets New High Mark for '36

With milling operations at a new peak for the year, Ontario gold and silver mining companies produced $6.9 millions during July from 197,826 ounces of gold and 32,255 ounces of silver.

Milling of 647,473 tons of ore during the month was not only the highest total for any of the last 7 months, but also considerably above the July, 1935, figure of 582,759 tons. For the first 7 months of 1936 Ontario has produced $45.9 millions in gold and silver compared with $41.6 millions in the corresponding period of 1935.

Producing gold mines, in order of their output were:

**Porcupine Belt**

Hollinger, McIntyre, Dome, Buffalo Ankerite, Coniaurum, Pamour, Paymaster, Anglo Huronian (Vipond), Ross (Hollinger), Gillies Lake, McLaren Porcupine.

**Kirkland Lake Belt**

Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Toburn, Omega, Kirkland Lake Gold, Bidgood.

**Matachewan**

Young-Davidson, Matachewan Consolidated, Ashley.

**Northwestern Ontario**

Pickle Crow, Little Long Lac, Howey, Central Patricia, Northern Empire, McKenzie Red Lake, Ardeen, Parkhill, Darwin, Wendigo, Tashota, Bousquet, Kenora Prospectors, Sturgeon River, Minto, St. Anthony, Duport, North Shores.

Details follow:

| | 1935 Tons Milled | 1935 Value $ | 1936 Tons Milled | 1936 Value $ |
|---|---|---|---|---|
| **Porcupine Belt** | | | | |
| January | 320,676 | 2,461,881 | 321,654 | 2,654,617 |
| February | 285,057 | 2,448,898 | 311,340 | 2,618,662 |
| March | 316,822 | 2,619,756 | 330,163 | 2,811,129 |
| April | 307,257 | 2,547,885 | 320,479 | 2,976,709 |
| May | 312,618 | 2,895,836 | 331,735 | 2,797,688 |
| June | 319,525 | 2,868,292 | 320,819 | 2,887,115 |
| July | 325,891 | 2,854,024 | 338,885 | 3,234,931 |
| Total | 1,187,846 | 18,696,572 | 2,275,075 | 19,980,851 |
| **Kirkland Lake Belt** | | | | |
| January | 163,944 | 2,657,047 | 166,080 | 2,767,180 |
| February | 149,449 | 2,475,278 | 161,112 | 2,700,890 |
| March | 164,833 | 2,711,420 | 189,606 | 2,996,610 |
| April | 159,180 | 2,540,040 | 176,323 | 2,796,423 |
| May | 168,292 | 2,776,430 | 187,694 | 2,836,312 |
| June | 167,084 | 2,954,505 | 185,865 | 2,951,602 |
| July | 172,025 | 2,847,528 | 188,918 | 2,820,900 |
| Total | 1,144,810 | 18,962,278 | 1,255,698 | 19,869,917 |
| **Matachewan** | | | | |
| January | 20,864 | 97,016 | 29,280 | 116,704 |
| February | 21,877 | 39,750 | 27,863 | 111,182 |
| March | 23,752 | 105,058 | 33,383 | 136,847 |
| April | 24,929 | 111,568 | 32,920 | 133,437 |
| May | 25,164 | 126,948 | 31,279 | 104,538 |
| June | 25,761 | 113,060 | 34,434 | 129,966 |
| July | 27,232 | 115,524 | 31,837 | 109,472 |
| Total | 170,679 | 762,924 | 220,976 | 842,146 |
| **Northwestern Ontario** | | | | |
| January | 62,582 | 362,451 | 88,541 | 695,913 |
| February | 57,456 | 318,443 | 82,830 | 680,272 |
| March | 62,406 | 365,755 | 89,147 | 769,920 |
| April | 67,556 | 398,620 | 86,771 | 740,166 |
| May | 71,203 | 500,948 | 89,991 | 773,263 |
| June | 77,959 | 707,273 | 86,626 | 782,512 |
| July | 57,611 | 585,981 | 87,833 | 776,154 |
| Total | 453,283 | 3,239,471 | 611,739 | 5,218,200 |
| **Total for Ontario:** | | | | |
| January | 568,176 | 5,578,395 | 605,555 | 6,234,414 |
| February | 513,439 | 5,336,369 | 583,145 | 6,111,006 |
| March | 576,816 | 5,801,989 | 642,279 | 6,714,506 |
| April | 558,922 | 5,598,113 | 616,493 | 6,646,735 |
| May | 578,277 | 6,300,192 | 640,699 | 6,511,801 |
| June | 590,329 | 6,643,130 | 627,844 | 6,751,195 |
| July | 582,759 | 6,403,057 | 647,473 | 6,941,457 |
| Grand Total | 3,959,718 | 41,661,245 | 4,363,488 | 45,911,114 |

# Sorting the Mines

## An Impartial Analysis of Listed Stock from A to Z

*These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.*

### Kirkland Premier Mines

In June, 1931, Kirkland Premier Mines sold its property in Teck Twp., Kirkland Lake district, to Kirkland Gold Rand Ltd. for one million shares of the latter company. These shares are Kirkland Premier's sole interest.

The Kirkland Gold Rand property lies about 1,000 ft. southeast of the Lake Shore Mines. The property has been held by several companies. The original company, Montreal Ontario Mines, was a consolidation of Montreal Kirkland Gold Mines and Ontario Kirkland Gold Mines. The Kirkland Rand Gold Mines took it over, followed by Kirkland Premier and in 1931, by Kirkland Gold Rand.

The present owners are dewatering the old workings, and deepening the shaft from 800 ft. to a proposed 2,000 ft. In 1928 it was claimed that between 75,000 and 100,000 tons of ore assaying approximately $7 to $8 per ton, old gold prices, had been opened up above the 800-ft. level.

The million shares received by Kirkland Premier have not been distributed, and will probably not be until the property has advanced considerably in development. Since Kirkland Premier's entire authorized capitalization of 3 million shares is outstanding, the distribution, when made, should be on the basis of one new share for 3 old.

While stock of Kirkland Premier was delisted from the mining section of the Toronto Stock Exchange in 1934, it is frequently quoted on the Montreal Curb Market.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | .03½ | .02½ | .02½ |
| 1936 | | | |
| Common | .12 | .03⅛ | .08½ |

### Kirkland Townsite Gold Mines

This stock is quoted on the Toronto Curb. The property is a gold prospect of 4 claims directly south of Wright Hargreaves Mines at Kirkland Lake. The property has not been worked since 1931. Work prior to this date consisted of a shaft to 700 ft. with levels at 125 ft. intervals.

The main speculative appeal in this stock appears to be the possibility that it may, at some future date, be of value to one of the neighboring producers. In 1927, Wright-Hargreaves crosscut south, intersecting a fairly strong vein carrying values reported at about $12 per ton across drift width. Development of this vein was carried out for about 200 ft., halting at the Kirkland Townsite boundary.

Of the 3 million shares, $1 par, authorized capitalization, 2,985,006 shares have been issued. Current financial position has not been revealed.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | .33½ | .12 | .12½ |
| 1936 | | | |
| Common | .31 | .14¼ | .22 |

### Kootenay Belle Gold Mines

This stock is listed on the Vancouver Stock Exchange. The property, which was one of the earliest producers on Sheep Creek, B.C. showed a net operating profit of $53,274 in the fiscal year ended Feb. 29, 1936. This compares with an operating profit of $12,327 in the previous year. After depreciation, depletion, and taxes, net profit for the last fiscal year was $18,304. This would be equivalent to about 2 cents per share on the 675,200 shares issued.

The current year has been a successful one for this company. Ore reserves are estimated officially at about $1 million, and consideration is being given to doubling the mill capacity, which is now in the neighborhood of 50 tons per day.

Some well-known Vancouver mining men are on the board of directors.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | .72 | .30 | .45 |
| 1936 | | | |
| Common | .77 | .30 | .75 |

### Laguna Gold Mines

This stock is one of the newcomers to the Toronto Board, having been listed August 4. The company is controlled by the powerful Mining Corp. of Canada, which with Herb Lake Consolidated Mines, also controlled by Mining Corp., holds a total of 2,227,347 shares of Laguna's 3 million share authorized capitalization. Par value of this stock is $1.

Recently, Laguna, after a well conducted development campaign, installed a 50-ton mill on its property on the east shore of Herb Lake, Manitoba. Ore reserves have been estimated at 35,116 tons. The average grade of this ore is in neighborhood of 0.63 oz. gold per ton. A. K. Muir, consulting engineer, in a report on the property made early this year, estimates that on a 50 ton per day basis, a profit of between 3 and 4 cents per share is probable. As ore reserves are increased, mill tonnage will also be increased, with a resultant drop in costs.

Under the supervision of Mining Corp. Laguna is assured of excellent management. As at July 23, the company owed Mining Corp., on open account, the sum of $242,305. This account will be settled either from the sale of treasury shares, or from first production. On this date, cash and supplies totalled $95,036, against current liabilities of $26,715.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | Not listed. | | |
| 1936 | .88 | .84 | .84 |


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# Obalski Mining Resumes Work In Cache Bay

## Drilling to Start Shortly on Chibougamau Property

### IDLE SINCE 1930

Obalski Mining Corp., holding 1,190 acres in the Cache Bay section of Chibougamau, on which development was discontinued in 1930, has resumed operations and will shortly commence diamond drilling.

Resumption of work is announced by the company following completion of new financing arrangements. An option on the property was given some time ago to a New York firm which later abandoned the option on the ground that the terms were too favorable to Obalski. The company profited however, by expenditures made under the option and its camps were placed in repair, trenches cleaned, and new assays made with indications of high values on some of the vein showings.

**Funds Provided**

Proposals were also made for the purchase of the Cache Bay claims but these were declined and the company has now entered an agreement with W. McKenzie and Co., of Montreal, for development funds. If and when the option is fully exercised 954,000 shares will remain in the treasury.

Latest reported capitalization of the company was 3,500,000 $1 par authorized shares of which an unstated number were preferred, and 1,456,386 common were issued in addition to 54,230 preferred issued.

A crew under the direction of Leonard Germain, M.E., is at work on the property, preparatory to drilling. In 1929 the company carried out 5,000 feet of drilling and favorable results were reported then.

**Interest in Wawbano**

Obalski also has an interest in the Wawbano Gold Mines' property at Portage Island, in the Chibougamau area where drilling is reported to have indicated promising vein showings. Hans Lundberg is at present carrying out a radiogeological examination of the island and officials of Obalski believe the property holds promise of successful development. Obalski will receive a third interest in a new company to be organized to acquire the property.

Changes in the directorate of Obalski, announced by President J. C. Lamothe, include the resignation of Hon. P. E. Blondin, and the election to the board of T. J. Coulter, senior member of Coulter and Jones, chartered accountants specializing in mining accountancy. Alex C. Cordner, long associated with the Obalski organization, has been appointed vice-president.

# Flin Flon Work To Be Enlarged

## Financial Arrangements Pave Way for Production Early in 1937

From Our Own Correspondent

WINNIPEG. — Flin Flon Mines Ltd. is ready to proceed with development on a larger scale which includes the deepening of the shaft to explore the fourth and fifth levels.

Financial arrangements were made some time ago by the board of directors but these and other changes had to be ratified by a general meeting of shareholders.

This has been done and at the same time the name of the company became Flin Flon Gold Mines Ltd. instead of Flin Flon Gold Mining Syndicate Ltd. The new company purchases all the assets of the old company and is capitalized at 3,000,000 shares instead of 2,000,000 as formerly. Shareholders in the old company receive share for share of the new, and sufficient stock is left in the treasury to complete financing.

Millross Securities Ltd., of Toronto, has agreed to take 840,523 shares of the new company's stock, and this, it is believed, will provide sufficient funds to carry out the enlarged programme, and also build the necessary reduction plant.

The company at August 19 had current assets, principally cash of nearly $25,000 and current liabilities of less than $6,000. A total of $113,324.50 has so far been spent on development work while overhead, preliminary expenses and commissions on sale of stock accounted for another $23,000.

It was stated in the report of the president that proved and indicated ore is now nearly 50,000 tons with a gross value in gold, silver and arsenic of about $20 per ton. This is all above the third level. The report also says it is hoped to bring the property into production early in the new year.

### Sladen Malartic Issues More Optioned Stock

From Our Own Correspondent

MONTREAL. — Sladen Malartic Mines advises the Montreal Curb Market that 3,000 additional shares have been taken up under the option agreement.

A further block of 25,000 shares has been taken up under the option, leaving 621,000 shares under option and 1,656,016 shares in the hands of the public, not including escrowed stock.

# Old Larder Lake Properties To Be Developed in Merger

Consolidation of 13 claims in McVittie Township, Larder Lake, under the name of Fernland Gold Mines Ltd. is the first step in a programme of exploration and development of some of the pioneer discoveries in the district.

The patented claims, consisting of 444 acres, adjoin the claims of Omega Gold Mines on the east. All the claims were staked during the Larder Lake rush which preceded the discovery of the Kirkland Lake area and some of the recordings of the Fernland Lake claims reveal that they were staked in 1906 and 1907.

Surface work was done by the various owners but the properties were not developed by shafts.

**Johnston Claim Involved**

Among the amalgamated properties is the Johnston claim on which the most important find has been made. Surface work disclosed a vein averaging between $6 and $7 with a width of 5 to 7 ft. This vein has been traced about 700 ft. with a possible length on the property of 4,000 ft. Several other veins or outcrops of vein material were found on different showings on the new group during the early days of the Larder Lake camp. These also show gold values. They will be opened and sampled in the belief that with $35 gold some of these finds may prove to be of commercial grade.

**New Company Formed**

Amalgamation of the properties was effected only after lengthy negotiations by Howard J. Jewell M.E., former field man for Noranda Mines, George Tough and J. W. McKay. Preliminary surface work is under way with John Magnuson, one of the claim owners in charge. The Kirkland Lake-Rouyn highway runs through the property which is also traversed by Nipissing Central Rwy. and the Hydro-Electric power line. Power is available on contract at $32 per horsepower.

The new company, incorporated in Ontario, is capitalized at $3 millions, shares of $1 par value. The permanent board of directors will be elected at an early date and will include a number of the present owners of the properties.

# Mining Enquiries

### Manitoba and Eastern

What are the prospects for Manitoba and Eastern? I understand this property has given better results from recent development and that a mill may be built.

Manitoba and Eastern is now considering mill construction and it is likely a mill will be in operation before the end of this year.

Ore grades encountered in underground sampling on 3 levels have confirmed earlier drill core assays of commercial grades but until further back-sampling is done it is not expected that an estimate of ore reserves will be made. The company is financed through to the production stage. The situation at the property is encouraging, in contrast to rather disappointing results from earlier exploratory development.

### Kirkland Hudson Bay

I enclose a copy of a letter I received recently from J. J. Carrick, and would be glad of any comment you care to make in connection with it or with regard to the writer.

J. J. Carrick has been conducting a very aggressive publicity campaign for Kirkland-Hudson Bay Gold Mines. Apparently the reason for this aggressive campaign is that Gachin Gold Mine, an investment holding company, had a large block of stock in Kirkland-Hudson Bay. Naturally, therefore, Gachin, of which Mr. Carrick is president, is interested in the market price of Kirkland-Hudson Bay. The type of publicity which Mr. Carrick is giving this company is not, in our opinion, particularly impressive. Such a statement as his "visionary excerpts from Canadian press ten years hence" is hardly a business-like approach to investing in a gold mine. It would probably be a surprise to the technical staff of Lake Shore to learn that in Mr. Carrick's opinion, this company will be running out of ore as soon as 1946.

All this is aside from the actual property which appears to have speculative appeal. Just how the ore bodies at Kirkland Lake behave at depth is not, of course, known. Perhaps the situation could best be expressed by saying that there is as much chance of the main Kirkland Lake break dipping into Kirkland-Hudson ground as there is of it dipping into ground to the north. A considerable amount of depth development on Kirkland-Hudson will be necessary before this is known.

Kirkland-Hudson is well financed, and has virtually the same control as Lake Shore. It is interested through stock holdings in such prospects as J. M. Consolidated and Red Crest Gold Mines in the Red Lake area. These are fair enough prospects.

Under the circumstances we would be inclined to think that the present market price of Kirkland-Hudson Bay is doing ample justice to its potentiality so far as the future has been revealed.

### Macassa

Is Macassa a buy at present prices? I am looking for a mining investment with prospects for appreciation in value and Macassa seems to offer better prospects than some of the stocks I am holding at present.

We do not recommend the sale or purchase of individual securities and in the case of Macassa, we are consequently unable to express an opinion as to whether the shares are a likely purchase for appreciation in value.

The general situation at Macassa seems to have improved in recent months. There has been no pronounced change in monthly recovery figures which have been around the $100,000 mark for several months. On the other hand average recovery per ton in the 7 months ending in July amounted to $17.82 or a marked increase compared with the $15.01 per ton for the corresponding period a year ago. The reason is that difficulties encountered in the slimes during milling of the ore had the effect of curtailing average recovery last year. This situation which for a time created some uncertainty, appears to have been overcome.

# Leitch To Mill At 75-ton Rate

## Provision Made for Early Increase to 100 Tons Daily

From Our Own Correspondent

SUDBURY. — A mill of 75 tons capacity is now being designed for Leitch Gold Mines, in the Beardmore section, according to a statement by President Karl Springer.

Plans provide for stepping up to 100 tons with the minimum of expense and delay.

In a month or 6 weeks work will be started on the deepening of the shaft and in the meantime development of ore on the 3 levels already opened is proceeding satisfactorily.

The best level to date is stated to be the second, where No. 1 shoot has been developed for 215 feet. It grades 2.5 ounces per ton over a width of 18 inches. On the third level the same shoot is wider but lower in grade. No. 2 shoot, west, is also producing ore on both these levels.

### Francoeur Gold Mines Releases 250,000 Shares

From Our Own Correspondent

MONTREAL. — Francoeur Gold Mines advise the Montreal Curb Market that 250,000 shares under option have been taken up and paid for in full and the balance of the optioned stock, 250,000 shares, has been subscribed on a firm basis. When the last 250,000 shares have been paid up, a total of 2,983,333 shares will be outstanding and 16,667 shares will remain in the treasury.

**Seal Harbor Producing**

From Our Own Correspondent

SYDNEY, N.S.—A new 200-ton-a-day rod mill went into operation August 18 at the plant of the Seal Harbor Gold Mine, Guysboro, N.S. The mill was designed and built by Shoemaker and Burnham of England.


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### Tiny Hill Syndicate Prepares for Drilling

Tiny Hill Syndicate has acquired 6 additional claims adjoining its property in the Kitibel Lake area, 27 miles northwest of Timmins.

The syndicate now holds 12 claims, approximately 480 acres, on which 3 main veins have been discovered. The surface vein showings are from 7 to 9 feet wide and have been traced half a mile. A crew is at work on the ground preparing for a magnetic survey, to be followed by drilling.

**Ore Receipts at Trail**

Ore receipts at Trail smelter of Consolidated Mining and Smelting Co. of Canada, from Aug. 15 to Aug. 21, inclusive, and from Jan. 1 to date, in tons:

| | | |
|---|---|---|
| Company's mines | 9,398 | 324,692 |
| Other mines | 582 | 16,786 |


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KENAKOTT KIRKLAND GOLD MINES, LIMITED

GROUP NO. 1:—One claim north of Bidgood Kirkland, East Kirkland Lake area,........Over 700 acres.

GROUP NO. 2:—Teck Township, West Kirkland Lake, south of the big producing mines. Several properties in this district now under development.

GEOLOGY—GROUP NO. 1:—The geological conditions are similar to those on West Kirkland Lake camp and consist of conglomerate greywacke, diorite and porphyry; the same occurs on Bidgood and adjoining properties to the south. On the main break across the middle of the property there occurs a shear zone fifty feet wide showing lenses and stringers of well mineralized quartz. There is another shear zone crossing at an angle on the easterly end of the property and joining the main shear zone. Free gold was found near this junction. Engineers of over thirty years' experience state that the geological formations and mineralization is most favorable to gold deposition at depth.

DEVELOPMENT for the present is being concentrated on Group No. 1, diamond drill commencing on Vein No. 1, stripping and trenching continuing on other veins.

THE CAMP is proven, the property is large, there are no transportation problems; power is available, the technical and consulting staff are believed the best obtainable, of long and successful experience in the district and held in high regard by mining men.

For the investor who selects for his mining investment portfolio shares in promising companies during the development stage and holds for the profits that accrue from production a reasonable amount of Kenakott is suggested. A limited number of shares available at 30 cents per share.

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# Human Relief Vultures

## Some Employers of Labor Seize on Calamity to Pay Less Wages Than Workers Would Receive on Relief

### Relief Schedules Used To Underpay Employees

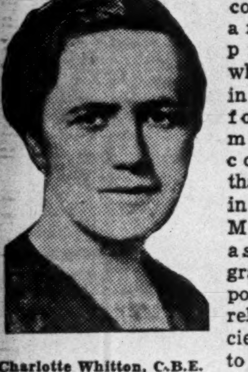
**This week Miss Whitton levels the charge of high treason against chiselling employers who use humane relief schedules as an excuse to underpay their workers.**

**These treacherous acts against national wellbeing and social justice, Miss Whitton sees as one of the major causes of a continuing high relief burden.**

**She throws out the challenge as to whether or not we would not be much farther ahead in the long run to insist on more adequate wage rates than to continue countenancing "low wages, under-employment, decreased buying power, increased unemployment and dependency and sharp increases in the extent and cost of public social aid with its resultant increases in taxation which inevitably react on the whole purchasing power of the people."**

**In subsequent articles Miss Whitton will continue a detailed study in this frank review of the whole question of relief and social dependency in Canada which she has shown in previous articles has brought Canada already to the brink of national disaster.**

By CHARLOTTE WHITTON, C.B.E.



Charlotte Whitton, C.B.E.

The longer the disorganization in employment continues, the more difficult and complicated are the problems which arise in the efforts to meet the conditions that follow in its train. Many are assuming grave proportions as relief agencies attempt to preserve or salvage human character, dragged down through months and sometimes years of idleness and hopeless need.

One of these problems has been with us always, but now it is presenting itself in aggravated form because of the pitiful competition for any employment that offers—and that is the relation of wages or earnings to the cost of the minimum needs of life.

There are few social workers who were not fully aware, even in the good years, of the fundamental cause of half of their work — the inadequacy of wages to provide the necessities of life for the average working man and his family. Generally, among the greater portion of the wage-earning population, a stoppage of 3 weeks in earnings or an equivalent inroad in the way of illness or other unforeseen demand upon the small budget made the family dependent upon credit or social aid.

#### Only Fortunate "Get By"

Thousands of families got through the extra strain of winter fuel and clothing only by these extraneous aids, hoping to catch up on the grocery and fuel bill with the spring "pick-up," and lucky and happy they were if they were able to break even or face the eternal drab balancing again, with any reasonable expectation of not being worse off by the next autumn. The most fortunate might "get by," but with no margin whatever left for provision against the 3 grim foes who stalk the average wage-earner from the cradle to the grave, the fear of dependency due to the ill health, or premature death of the wage-earner, premature and unprotected old age, and insecurity of employment.

The Life Underwriters' Association of Canada has issued a small folder presenting the picture in graphic form. It indicates 100 men representing an average group starting out in life. At 65 years of age 36 have died; 1 is wealthy, 4 well-to-do, 5 live on their earnings and 54 are not self-supporting. At death, 82 will be penniless, but one leave wealth, 2 comparative comfort and 15 estates from $2,000 to $10,000.

#### Make Aid Inevitable

Such conditions make far-reaching measures of social aid against dependency inevitable, and consequently these latter must follow upon inadequate wage returns, and the whole community must be taxed to provide from its resources the difference between the earnings in employment or gainful occupation and what the worker requires for the minimum needs of life and protection against its risks.

No adequate research has yet been undertaken in Canada to ascertain whether, in the long run, more adequate wage rates would not prove more truly economical than low scales, under-employment, decreased purchasing power for the worker, increased unemployment and dependency and sharp increases in the extent and cost of public social aid with its resultant increases in taxation which inevitably react on the purchasing power of the whole people.

#### The Vicious Circle

This problem of inadequate earnings as a factor in dependency is immediately aggravated by any contraction in markets or purchasing. At the first sign of a slowing up in the economic gear, with resultant insecurity in employment, the average purchaser seeks the cheapest product to meet his needs with little regard to quality. Demand naturally falls off, especially for better goods, produced under decent working conditions, and prices are driven sharply downward, forcing a contraction in costs. Once costs are affected, wages, as one of the largest and most immediately responsible factors, are affected, with spontaneous reaction again in shrinkage of demand and in insistence from the low paid wage-earner himself on cheaper goods. The whole thing moves in a vicious circle, inadequate wage payments that perpetuate and aggravate a lessened demand for goods, increased idleness, need, and dependency, and sharply increasing taxation.

#### Relief Schedules, Wages Rates

Out of these conditions comes the demand for an adequate minimum wage or living for the worker on his own, and in its absence, the wide social provision of such forms of aid as mothers' allowances, old age grants, unemployment relief, etc. And with their institution upon a humane and scientific basis developed from the relation of income in the home to minimum standards of health and decency, a new aspect of the situation arises that bids fair to become one of the most perplexing in the Canadian relief picture today. That is the payment of relief grants in hundreds of municipalities at levels carefully calculated to provide the minimum needs of life, but which prove to be in excess of prevailing earnings or average income for full-time workers in their usual occupations in these same areas. And so the question of partial relief to persons in part-time, and too frequently, in full-time employment has developed, and the situation thus created is undoubtedly a factor of major importance in maintaining relief totals at fairly static levels.

Humane considerations do not allow the relief agency to issue relief at a level below which life can be sustained under minimum conditions of health, shelter and decency, yet the same worker can be paid less for his services than will provide him with the same necessities through the full-time use of the best that he can give in labor and skill.

#### Secure More on Relief

Just recently a case was to the fore in one city—and the cases are not few and far between—in which a man with a wife and 3 children is earning $7 per week for full-time work; the relief rate in that city sets $48.45 as the minimum monthly budget for a family of the same size and ages.

That same city originally paid supplementary relief in such cases but found that so widely was this arrangement being exploited as a wage subsidy from public funds at the expense of employers of greater integrity, that it has brought in a regulation, absolutely prohibiting the granting of such supplementary relief to a worker in full-time employment. And many other municipalities have been forced to take the same action, which, especially where relief is paid in cash, undoubtedly operates to hold back the worker with a family dependent upon him, from taking employment that offers only for part time or at such inadequate rates as to make life impossible even at the minimum that relief rates set.

On the other hand, several municipalities have been endeavoring to meet the situation by the opposite policy of supplementing inadequate earnings by relief grants, but one city at least soon found itself with 55% of its relief lists in receipt of earnings in some degree and was forced to reconsider the situation as it was practically subsidizing scores of employers throughout the community.

#### Figure Up Averages

A comparison of relief and wage rates in typical industrial centres and representative industries indicates how real and how significant this problem is and what a factor it is becoming in the whole effort to break the relief front.

To begin with, the Bureau of Statistics established the average earnings for all male wage-earners in Canada (including agricultural workers)—in 1931—as $927 for male workers and $560 for female workers. Wage rates today are lower on the whole than then, the weighted average for various classes of labor in Canada in 1935 being 172.4 as against 188.7 in that year.

Examining the earnings in different typical industries, it is found that the average male agricultural worker earns $319 with an average employment of 43½ weeks in the year. The man in forestry, fishing or trapping earns $486 per year with an average employment of 35 weeks. The male employee in mining averages nearly double that, $903, and works 36 weeks. The construction worker averages only $709 with but 33 weeks of employment but the man in manufacturing employment averages $1,038 with nearly 42 weeks work; in transportation $1,171 with 44 weeks; in trade $1,150 with an average year of 46 weeks; in service $1,176 with but 46 weeks of work, and in finance, best of all, $1,730 and an average of 49 weeks employment in the year. The "unspecified" worker, the man employed in small enterprises and often a casual laborer averages $326 a year with average employment of 28 weeks.

#### What Relief Schedules Show

Contrast these average earnings (remembering that tens of thousands earn well below them because the averages are struck over the whole group including the highly paid key employees) with what any one of these male wage-earners, married and with 3 children, would be granted by way of minimum relief in typical units of urban or rural administration today (winter and late spring 1936):

| | Per month |
|---|---|
| **(1) Urban units in industrial centres in Eastern Canada.** | |
| Unit A | $39.48 |
| Unit B | 48.39 |
| Unit C | 34.40 |
| Unit D | 48.45 |
| **(2) Units in mining areas.** | |
| Unit E | 40.38 |
| Unit F | 55.00 |
| **(3) Units in urban centres in Western Canada.** | |
| Unit G | 39.75 |
| Unit H | 52.19 |
| Unit I | 53.70 |
| Unit J | 49.10 |
| **(4) Units in urban centres in the Maritimes.** | |
| Unit K | 26.42 |
| Unit L | 28.86 |
| **(5) Rates in agricultural areas in Eastern, Central and Western Canada.** | |
| Unit M | 25.00 |
| Unit N | 20.00 to 30.00 |
| Unit O | 33.00 |

Yet these relief rates are calculated on minimum bases in almost every case.

#### Minister Speaks Out

Is it assuming too much to suggest that there is a significant relationship between wage-earners that creep under admittedly moderate and minimum relief rates? Apparently not, judging by the establishment of minimum wage rates for comparatively large numbers of male workers in British Columbia, Manitoba, Quebec, New Brunswick and Ontario in recent years, and the frank statement of the Dominion Minister of Labor in the House of Commons March 30, when he said:

". . . . . . a sufficiency of food and shelter, clothing and medical attention must be provided for those in need. That is not in dispute. In making this provision, however, there is equally an obligation upon governments to see that the arrangements for relief do not encourage the acceptance of voluntary idleness by relief recipients, or permit employers of labor to transfer to the state their obligation to pay a living wage and to conduct their operations with a due sense of social responsibility. I mention that here because some cases have been brought to my attention of employers of labor who have taken advantage of the existing situation and have paid wages upon so low a scale that those receiving those wages were receiving less than they would obtain if they were on relief. And I know it has been the practice in some municipalities to pay part-time relief to some of those whose wages fall below the relief scale. Obviously such a situation is intolerable. It does seem to me that if on investigation we find an employer of labor who is taking advantage of this situation, we, as a government, are entitled to use the weapon of publicity to the fullest possible extent in order to brand that policy as high treason to the state in a time of great emergency. I grant you it should be done only after careful investigation."

#### Situation Is Disturbing

This is one of the most disturbing of all the situations which have grown from widespread unemployment and relief, and one of those in which solution lies not so much with the government or relief services as with those who have in their power the means of correction.

## Relief Increases In Newfoundland

Relief expenditures in Newfoundland for July, 1936, rose to $78,743, according to figures submitted by the Commissioner for Public Health and Welfare recently. This compares with $53,185 in the same month last year, indicating an increase of 48%.

The total number of persons on relief in July numbered 41,664, an increase of over 13,000 from the corresponding figure of last year.

On the basis of total population of 282,800, this means that 14.7% total population was on relief in that month compared with about 10% in July, 1935.

## Big New Ice Rink Under Way at Sydney

From Our Own Correspondent

SYDNEY, N.S.—Construction of a new artificial rink at a cost of $60,000 is under way. It will have a seating capacity of 2,600, with standing room for 500 more. The building must be ready for skating by November 15. A campaign for raising funds to build it was launched early in the summer, and over $60,000 was raised by subscriptions in a canvass of Cape Breton Island.

# Auto Mishaps Are Mounting Over Ontario

## But Number Fatally Injured Down in 6 Months

### MORE PROPERTY LOSS

Property damage loss from motor vehicle accidents in Ontario during the first 6 months of 1936 amounted to $436,363, an increase of 7.8% over the corresponding figure for 1935, according to official figures released by the Motor Vehicles Branch of the Ontario Department of Highways.

This increase is greater than the proportionate gain in number of vehicles registered at the end of June but is considerably less than the increasing gasoline consumption. Thus the survey shows the number of vehicles registered in Ontario at the end of June to be 5.2% above the corresponding figure for 1935. Gasoline consumption in the province increased by 20.8% during the first 6 months.

Other figures for the first half of the year show total accidents to have increased by 7.3% over 1935 while the total number of persons injured was higher by 5.4%. However, fatal accidents numbered 153, a decrease of 13.1% from the corresponding figure for last year. The number of persons fatally injured, namely 172, was also down being 14.4% below the corresponding total for 1935.

Accidents of the "collision with railroad train" type showed the greatest rate of increase during the first 6 months. There were 60 such accidents in the first half of the year compared with 47 in 1935, or a gain of 27.7%. There were 1,474 "collision with pedestrian" accidents reported or 11.3% more than a year ago.

The distribution of fatal accidents according to location is shown below:

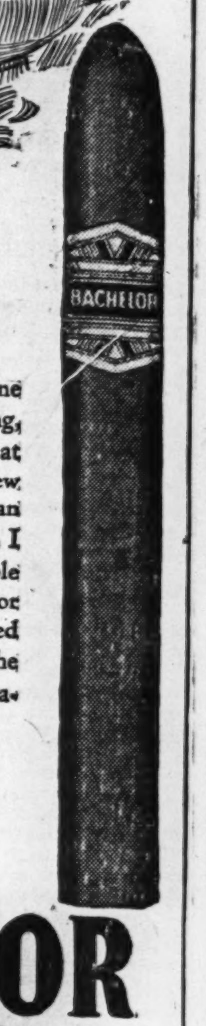
| Location | No. of Fatal Accidents 1935 | No. of Fatal Accidents 1936 | Number Killed 1935 | Number Killed 1936 |
|---|---|---|---|---|
| Cities | 59 | 47 | 61 | 47 |
| Towns | 15 | 10 | 18 | 12 |
| Villages | 4 | 3 | 4 | 4 |
| King's highways | 63 | 51 | 73 | 61 |
| County roads | 23 | 23 | 23 | 24 |
| Township roads | 12 | 19 | 22 | 24 |
| Total | 176 | 153 | 201 | 172 |

Figures for June alone show 944 accidents compared with 896 for the same month last year, a gain of 5.4%. The number of persons injured increased 7.7% above last year's total although the number of deaths dropped 25.6% and property damage at $92,887 was lower by 16.3 per cent. In the above table it will be noticed that the only increase in fatal accidents was experienced on the township roads. Under county roads are included the main highways of north Ontario.

## Cole and Apedaile Form New Partnership

From Our Own Correspondent

MONTREAL.—Ernest C. Cole and J. Leonard Apedaile announce the formation of a partnership under the firm name of Cole, Apedaile & Co., chartered accountants, with head office in Montreal.




Ex-Champion

VIOLENT exercise is less in my line than it used to be . . . Take swimming, now . . . I was once a bit of a champ at that . . . But I'm not apt to set any new aquatic records now . . . That doesn't mean I don't enjoy a dip as much as ever . . . I do . . . And I can still give a creditable exhibition of the crawl—for a minute or two . . . But after that I feel I've earned the right to rest and relaxation on the beach . . . Preferably with the aid of a fragrant Bachelor Cigar.

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Robertson, Robinson, McCannell & Dick
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

RONALD, GRIGGS & CO.
Chartered Accountants
Winnipeg
Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa